Policy
WATCH

RAJIV GANDHI INSTITUTE FOR CONTEMPORARY STUDIES

SPECIAL ISSUE
(COVERING ALL THEMES)

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RAJIV GANDHI
INSTITUTE FOR CONTEMPORARY STUDIES

Editorial

Dear Reader,

The Rajiv Gandhi Institute for Contemporary Studies (RGICS) works on five themes:

1. Constitutional Values and Democratic Institutions
2. Governance and Development
3. Growth with Employment
4. Environment, Natural Resources and Sustainability
5. India's Place in the World

We produce Policy Watch based on one theme per month. This is our second special issue covering an article each from all themes.

The first article from the Governance and Development theme, on "Vision 2020: Are we getting there or have we lost our way?" is by Dr Amir Ullah Khan. He studies the progress of the nation vis-à-vis the goals and ambitions set for 2020, at the beginning of the millennium. He takes up key areas and analyses the development, goals achieved, challenges faced and whether the government was successful to fulfill the promises or failed to deliver.

The second article on "Financing MSMEs for Growth and Employment" by Mr Vijay Mahajan and Mr Jagmeet Singh, looks at financing for micro, small and medium enterprises. The article studies the Pradhan Mantri Mudra Yojana (PMMY) scheme launched by the government in 2015 to provide additional bank loans to MSMEs. It also shows that the PMMY has been a limited success, if at all even in credit enhancement, and even less in incremental employment. The article traces the cause of this to a faulty design of the PMMY

loan products and suggests design improvements including the provision for cash credit in place of term loans and micro-equity in place of loans for startup MSMEs.

The third article from the theme, "Environment, Natural Resources and Sustainability" is titled "Degeneration of Resources - Impact on Baigas". This is an extract from the study conducted by Dr Bose on the lives of and livelihoods of the Baigas, one of the vulnerable tribals in the state of Madhya Pradesh. The article highlights how the lives of these tribals in Shahdol and Annupur districts of the state, have been affected by the degradation of natural resources - Jal, Jamgal Jameen, in their areas.

The fourth article by Dr Sushree Panigrahi, titled, "Higher Education Fee Hikes: Affordability vs. Sustainability" is from Constitutional Values and Democratic Institutions theme. It begins by describing the historical context of higher education policy, moving on to highlighting the recent student protests over fee hike in different institutions all over the country and discusses how fee hikes impact higher education and the society at large.

The fifth article from the theme, "India's Place in the World" is titled "Painting the Rainbow Brown - the Global Arc of Populism? " The article by Prof Somnath Ghosh attempts to discern various facets of populism across the countries to develop an understanding of its ideological underpinnings. It also provides a quick view of populism in Latin America, United States and Europe, highlighting its various facets, and in the process it attempts to develop taxonomy of populism on the basis of its severity. Finally, some of the counter-responses to populism are examined along with their limitations.

We look forward to receiving your comments and suggestions.

Hope you enjoy reading this issue.

Best Wishes,
RGICS Team

Vision 2020: Are we getting there or have we lost our way?

Amir Ullah Khan [*]

The year 2000 was fascinating. Apart from the excitement around the beginning of a new millennium, there was a perceptible thrill among us, envisioning a technology led future and a brave new World. The Millennium bug was more than just the Y2K problem, it was something that catalysed an enthusiasm among us to crack most of the persistent problems that the twentieth century, with its enormous advancements in trade and economic growth had not been able to solve. Spurred on by Abdul Kalam, the Planning Commission came up with an omnibus document that defined and articulated India's vision 2020.

Today, in 2019, let us see how we have done on these counts. What did the forecasts say then? Were the dreams for 2020 far too ambitious? Did we do enough to meet goals that we set out to achieve? Were we oblivious of the challenges to growth and development that would appear without warnings in the twenty first century? Did the blistering pace of economic growth that we saw in the first decade of the new millennium translate into an equally strong development curve? What sectors of the development stage did India reach its potential and where did we fail in our tryst with destiny.

Growth and poverty

India was being counted among the then famous BRIC economies. With Brazil, Russia and China, India would rapidly increase their dominance over the global economy. While Brazil and Russia disappointed Jim O Neill, the Goldman Sachs economist who coined this term, China and India have indeed done well, possibly better by way of GDP growth than was forecasted. The four countries were predicted in this famous report, to overtake the six big western economies by 2040. A major share of manufacturing went to China, and India hoped to follow suit by increasing manufacturing's share to 25%. This would add another 100 million jobs, it was predicted. However, manufacturing got stuck at 16.1 percent of GDP, within industry that accounts for 29%. Agriculture contributes 17% and a dominant services sector makes up the balance.

In India, the consensus at the turn of century was that annual GDP growth rate would be between 8.5 to 9 per cent over the next 20 years. This would result in quadrupling of the real per capita income. Poverty would be completely eliminated and India's rank from

* Dr Amir Ullah Khan, Senior Visiting Fellow, RGICS

11th in 2000 would go up to 4th in 2020. In the World Bank's classification of economies, it was predicted that India would move from being a least developed country(LDC) to become an upper middle income country. LDCs are those with a GNI per capita of less than $1,025 and lower middle-income economies are those between $1,026 and $3,995. Upper middle-income economies are those with a GNI per capita between $3,996 and $12,371 while the high-income economies are at more than $12,371.

On this front, India did move very fast, by a staggering 266 per cent between 1990 and 2017, which was responsible for bringing millions of people above poverty. It was no longer an LDC even by the end of the first decade of the millennium. However, this was not enough to reach the upper income bracket where China and Brazil sit. India remains a lower middle income economy on poverty, according to the UN's 2019 Multidimensional Poverty Index. India lifted 271 million people out of poverty between 2006 and 2016, recording the fastest reductions in the multidimensional poverty index values during the period with strong improvements in areas such as assets, cooking fuel, sanitation and nutrition. Poverty could however not be eliminated, as envisioned nineteen years ago. Estimates on the number of poor vary between 21 per cent as per the 2011 census and 3% as Brookings recent calculations suggest.

Demographics and jobs

In the year 2000, it was projected that India's population will continue to grow and will cross 1.3 billion by 2020. It already has and is estimated by the Population division of the UN Department of Economic and Social Affairs to surpass China's population by 2027. It is also true that fertility rates have been declining rapidly, particularly in the South, and India's population should stabilize by 2050. Life expectancy that was at 40 in 1960 and 64 in 2000 grew to 69 in 2019, exactly the figure predicted. However, it compares poorly with Brazil and China, both at a little more than 75. The population of over 60 citizens was expected to reach 120 million. It has reached 103 in 2016, and the number will only go up. Public infrastructure must improve to take care of the elderly now.

The challenge of course is with respect to the youth and those who join the ranks of the labour force. With 65% of the population in the working age group, India in 2000 knew that providing employment opportunities would be key to sustaining growth. The data on jobs is dismal indeed. The country has been seeing jobless growth for nearly two decades and now the employment data is ominous. The rate of unemployment is at a 45 year high with the educated unemployment rate rising to more than 23 per cent. Nearly 11 million youth lost their jobs due to demonetisation in 2016 and the hurried GST implemented in 2017.

The manufacturing sector was envisioned to grow at 12-14% per annum, and therefore the share of manufacturing in India's GDP would go up to 25% by 2022. This would create 100 million jobs in manufacturing alone. As the data also shows, the contribution of the manufacturing sector hasn't changed and has remained at a little over 15% in recent years, and looks unlikely to go up in the near future. The vision of skilling 500 million people to feed into a growing economy's staffing needs was sadly not realized. The percentage of skilled youth moved up marginally from 2% to 4.4% by 2019. The pity and evocative Jobs for All slogan articulated in 2000 remains a distant dream, receding further as automation, sectoral shifts and poor educational outcomes hamper any scope of improvement.

Education

The education story is a mixed one. Enrolments have gone up significantly, with big moneys spent on mid day meal schemes, Sarva Shiksha Abhiyan and village school buildings. The recent All India Survey on Higher Education 2018-19 gives extensive data on students and their journey through school. What is really a matter of concern is that the journey from primary school to college is rough and despite nearly complete enrolment at the primary level, very few youth reach college. The problem is particularly harsh with respect to the vulnerable sections of society. For example, the Scheduled

Tribes are 5.5 per cent of the total number in college compared to 8 per cent share in population. The same problem exists among teachers too, 8.5% teachers are and 2.3% are STs. Both these categories continue to be seriously under-represented despite legally mandated reservations.

The report then gives an update on the higher education sector in the country. There are 993 Universities today compared to the 642 universities in 2011-12 and 229 in 1998. The Knowledge Commission had estimated that India would require at least 1500 Universities by 2020 to provide education to its youth, so we are still more than 500 short. However, what is critical is to note that the quality of higher education is abysmal. The government is not helping either by interfering with the functioning of our higher education institutions.

Only one fourth of our youth in the 18 and 24 age group are going to college and University. Only 26 per cent of our population aged between 18 and 23. The higher equation system awards a little less than 10 million degrees every year. 65 percent of these are students who get an undergraduate degree. Most of the students with such degrees learn very little in terms of knowledge, life-skills or any other skills relevant to employability. We produce less than two lakh MPhil/PhD degree holders annually who presumably have some research skills. It's no wonder that the level of teaching in our Universities and the quality of research that comes out are of very low quality.

Hunger and malnutrition

According to the Food Agricultural Organization (FAO), in India in 1992 there were 240 million people undernourished while in 2012 the figure has gone down to 217 million, a decline of more than 9 percent, from 26.9 per cent to 17.5 per cent during the last decade. However the vision of Food for All and zero malnourishment has been a dismal failure. India tops the world hunger chart with around 200 million citizens sleeping hungry each night. 2 million children who are born each year do not live beyond the age

of five, largely due to inadequate food and poor public health facilities. 38 per cent of children in 2016 below five years were stunted, that is, they have low height for their age. The ratio is 31 per cent for children living in urban areas and 41 per cent are those in the rural areas. Same is the case with wasting, where 21 percent of India's children suffer. Only three countries in the world have wasting above 20 per cent - Djibouti, Sri Lanka, and South Sudan.

The Global Hunger Index (GHI) is a tool designed to comprehensively measure and track hunger at the global, regional, and national levels. In the 2019 Global Hunger Index, India ranks 102 out of 117 qualifying countries. With a score of 30.3, India suffers from a level of hunger that is serious. In the index that measures the level of hunger in 117 countries, Bangladesh at 88 and Pakistan at 94 performs better than India. Sri Lanka at rank 66 and Nepal at 73 are way better. The only country in the region that performs worse than India is Afghanistan at rank 108. How has India got left behind in this race? A democratic country, whose economy has been growing at among the fastest rates, India's performance is perplexing and worrisome.

Health

Health for All, we promised. But with huge supply side problems this vision is as far from being reached as nothing else is. With 17.5% of the world's population, Indians account for 20% of the global burden of disease. The Private sector caters to 75% of outpatient care and 60% of inpatient care. 1.2% of GDP spent by India on healthcare while even now 6% Indians do not seek healthcare due to financial reasons. An estimated 60 million Indians are pushed into poverty every year because they must spend nearly half their annual household expenditure for medical needs. It is a steep 2/3rds of all expenditure on healthcare that is out of pocket (OOPE), the money that patients must pay on their own to access healthcare

A much quoted Lancet study shows that our doctor shortages are mindboggling. There is much regional variation - there is one government hospital bed for every 614 people in Goa compared while there is only one for 8,789 people in Bihar. 6 out of 10 hospitals in our poor states do not provide intensive care and a fourth of them have abysmal sanitation and drainage facilities. The government's flagship program Ayushman Bharat suffers from this gross under supply of doctors even as it increases demand substantially.

The last six years

The modern day politician faces a dilemma on the eve of every election. Should she make generous promises, and give people hope that they will see a far better future? Politicians who make grand promises, as modern day literature on political economy suggests, get greater vote shares. Therefore it is not surprising that Narendra Modi, as the Prime Ministerial candidate in 2014, made a large number of very generous promises. And he was re elected in 2019, with an even bigger margin. However, making large commitments is fraught with danger. Those who implement policy are many and often not accountable. There are vested interests in decentralised governance that could spoil the best laid plans. The Prime Minister had reportedly blamed the bureaucracy squarely for wasting five years and not honoring the commitments he had made over the last five year period.

The Prime Minister to be in 2013-14 was, to make an understatement, giving his voters really lavish commitments. Let's explore what these were and what happened to the promises made? Did the NDA 1 honour its various assurances? Some of these were undoubtedly delivered. But a large number remained either works in process or were completely untouched? How did the voter react to the fact that a large number of promises made were not delivered? It is important for a politician going back to his electorate, to be able to give credible explanations or blame the failure on factors beyond his control. How did the Prime Minister convince his voters that his intentions were genuine and that, given another chance, he would deliver on all that he had gallantly undertaken in 2014?

Promises kept

The government did deliver on some of its promises. GST, a long standing agenda, was implemented across the country. The farm insurance scheme was implemented, another long awaited measure. Expenditure limits of elections were revised. A few outdated laws were scrapped. Mobile platforms started being used to improve financial inclusion. A new Health policy was announced and a Health assurance scheme was launched. For the smart city project, a hundred cities have been identified and a hundred most backward districts are now identified to be developed on a priority basis. At least three of these proved to be truly disastrous moves, and a few others showed tepid results, while a large number remained untouched.

The sense of achievement was nowhere more explicit than on India's improvements on the ease of doing business. India's ranking improved 79 places from 142nd in 2014 to 63th in 2019. On the Human Development Rank, India improved its position to 130, one above the rank from 2017. A large reason for India's improvement in HDI comes on account of increased per capita incomes, a staggering 266 per cent between 1990 and 2017, that was responsible for bringing millions of people above poverty. The challenges that remain are by way of lower life expectancies, poor gender diversity among elected representatives and enormous inequalities by way of access to health and education.

Narendra Modi, the PM candidate in 2013 and his party, cannot be blamed for playing safe, on both the economic and the social front. There were a total of 346 promises made. After five years, two thirds remained unfulfilled, and leading the pack were the ones that were made at the loudest decibels. Corruption, the PM had thundered, would be plucked out mercilessly. All black money deposited abroad would return home and no one would dare print fake currency. Names of those holding suspicious accounts are still withheld and the NCRB reports a four times increase in seizure of fake notes. Demonetisation, the magic wand against corruption, ended a damp squib when 99.3% of old notes were returned and deposited in banks.

On the economic front, the claims of fast paced growth in GDP, millions of new jobs and a higher rupee value came apart in spectacular fashion. The RBI had to be worked on, and it was only after two Governors left with some unpleasantness, that interest rates came down. The fiscal deficit target kept slipping despite a fight back from the Finance Minister and is now again precariously placed. Inflation was one front where the government successfully kept prices, particularly on farm produce, well controlled. The impact of such low prices on growing joblessness, on the other hand, has taken the sheen away from a commitment honoured.

The social sector challenge

It is on the social sector that the Modi government has been fighting hard to deliver. Rural poverty, measured by way of consumption, if the latest leaked figures are to be believed, has gone up by atleast four percent. The 75th report of the NSSO suggests that consumption expenditure in rural areas has gone down to 1,524 rupees per person per year from Rs 1587 in 2014. On the agri front, the government had promised that farm incomes would double by 2022. With negative growth rate setting in, this promise seems as much a fantasy as any. The vision of setting up Seed culture labs and soil testing facilities, easing rural credit availability, establishing an Organic farming corporation and promoting herbal produce has fallen by the wayside.

On Education, there is a new policy. However, the challenges in removing the gender gap for education access, lightening school bags, making teachers more effective and setting up multi country student exchange programs remain formidable. The Institutes of Excellence exercise started off with the government and its selection process come under some harsh criticism. The University Grants Commission and other regulatory bodies were to be transformed into modern facilitative institutions and enable large numbers of India universities to come into the top global rankings. If anything this year's list is a little more disappointing than previously.

On Health, the big announcement the government made was by way of setting up the PMJAY and Ayushman Bharat. These are indeed big measures, set to being nearly half the population under high quality healthcare, funded by the state. While it is too early to judge these interventions, the fact is that we are staring at a situation where demand has increased dramatically, while the supply side remains unprepared. Far too few medical schools still prepare a lower than required number of doctors and an abysmally smaller number of specialists. The chances of leakage and adverse selection are every high and the schemes, laudable as they are on their ambition, are increasingly looking vulnerable and far too expensive to sustain.

The issue of unemployment must count as the biggest disappointment for the government. The Prime Minister had himself talked about making big improvements in manufacturing, and making this sector the engine of growth and employment. Make in India, was his big slogan and the targets set were ambitious. The manufacturing sector would grow at 12-14% per annum, and therefore the share of manufacturing in India's GDP would) to 25% by 2022. This would create 100 million jobs in manufacturing alone, and help reach the Prime Minister's goal of creating 120 million jobs. The situation on the job front has never been more disappointing with government data showing unprecedented job losses, especially among the educated youth. As the data also shows, the contribution of the manufacturing sector hasn't changed and has remained at a little over 15% in recent years, and looks unlikely to go up in the next three years.

The Annual Survey of Industries data shows that there has been a downward trend in industrial growth from 2014-15 to 2016-17 and job growth in industries has been weak while wage growth has been falling. More recently, the Periodic Labour Force Survey data shows that earnings of regular workers have actually declined in real terms. In rural India, regular wages have grown negatively at 0.3% per annum. The Urban sector saw regular wages declining at 1.7% per annum. This kind of decrease in wages and more importantly in consumption, was only seen in the early 60s when the country was going through a serious crisis due to the two big wars and huge food shortages.

Public spending, law and order

The problem in many ways has been the inability of those charged with delivery to keep up to the generosity of the people who made the promises. The distance between intention and impact came out starkly when a parliamentary panel on urban infrastructure showed how the state is woefully underperforming. Big ticket programs, announced at the highest places have been lacking even by way of spending the moneys allotted to them. Of the more than 40,000 crore allocated, the spending has been just a fifth of the total, little more than 7000 crore. The smart cities have spent the lowest amount and as a result there isn't one that is anywhere close to being declared smart. Urban poverty continues to struggle even as housing promised to all of them has not taken off. Sanitation and drainage facilities are abysmal. On the issue of open defecation, the evidence suggests rather strongly that more than a fourth of India's population still defecates in the open. PM Modi, after reviewing nine infrastructure projects, commented sharply in his tweet saying "Such attitudes will NOT be tolerated."

On the law and order front where the Modi government was seen as being strong and decisive, there were a number of moves made, including the recent changes in Kashmir valley. However the security situation in Kashmir and in Naxal affected areas doesn't seem to have improved much. Crimes against women, another major head under the Beti Bachao slogan, have not come down. The score card of various specialised agencies probing black money cases of tax evasion also is anything but stellar and the regularity with which some big names managed to flee the country escaping investigation has been a constant source of embarrassment.

The BJP government also came up with a series of pledges under its Clean India campaign. These included the provision of toilet facilities to address a widespread lack of clean sanitation, and cleaner cooking fuel in the form of subsidised gas cylinders to reduce the amount of kerosene and wood being used in household kitchens. Many households have switched to the cleaner fuel, so this was a considerable success. But

the longer-term success of the project has been tempered by the tapering off of subsidies on gas cylinder refills, and many households have reverted to using dirtier fuels.

As for toilets, the prime minister has said that 90% of Indians now have access to a toilet - up from 40% before he came into office in 2014. While it's true that many more household toilets have been constructed across the country, there is also evidence that not all are working properly, and that - for a variety of reasons - they do not always get used. On October 2nd this year, when the PM got up to declare India open defecation free, he had to change his aggressive style and say that states have declared themselves open defecation free.

What next for politics, economics and governance

The conclusion is difficult to make. With a large number of commitments half delivered and a good number never even attempted, the ones where the government delivered proved fruitful and the incumbent government won handsomely in 2019.

In a recent report indicting our public policy, we find that India ranks 158th in the world for its investments in education and health care, according to the first-ever scientific study ranking countries for their levels of human capital. Sudan (ranked 157th) is ahead of India and the poor Namibia (ranked 159th) is behind in the list. The U.S. is ranked 27th, while China is at 44th. The simple fact that emerges is that the expenditure of Human development must rise substantially. Universal Health care, easy access to quality education, elimination of hunger, provision of sanitation infrastructure, pollution control and putting an end to malnutrition is critical to take India into the next stage of development.

One leading indicator of growth and development in any economy is urbanization. India's population remains persistently rural, particularly in east. India with its 35% urban population today is way behind most developed countries where the share is upwards of 50%. Hostility towards migrants, slowdown in interstate movement and the shrinkage of urban jobs has hampered labour mobility considerably. The 5 trillion dollar economy that defines the Prime Minister's vision for 2024 will need a far more inclusive agenda, where sharp gender gaps, lack of access to the digital world and poor quality infrastructure is tackled immediately. India continues to be an economy with great potential, but will need concerted efforts in the next twenty years if it must go on to become a developed country by 2040.

Financing MSMEs for Growth and Employment

Vijay Mahajan^ and Jagmeet Singh^^

1. Introduction

Micro, Small and Medium enterprises have played a critical role in India's economic transition away from agriculture and allied activities towards growth in the non-farm sector. As stated in the report of the UK Sinha Committee[1]

"The Micro, Small and Medium Enterprises (MSMEs)...sector contributes in a significant way to the growth of the Indian economy with a vast network of about 63.38 million enterprises. The sector contributes about 45 per cent to manufacturing output, more than 40 per cent of exports, over 28 per cent of the GDP while creating employment for about 111 million people, which in terms of volume stands next to agricultural sector."

An overwhelming majority of MSMEs are tiny and informal - 96 per cent of them were sole proprietorships - usually located within or just outside the owner's household premises.

^ Vijay Mahajan, Director, RGICS
^^ Jagmeet Singh, Senior Research Associate, RGICS

Own-account enterprises (comprising 84 per cent of all enterprises) are those run by a single household member without paid workers and are often only one of multiple income sources for low-income households. The mean Gross Value Added of own-account enterprises was Rs. 7,980 per month while the mean GVA of firms classified as establishments was Rs. 53,425 per month. Only 31 per cent are registered with any industry and trade association or development board, indicating the in- formal and unorganized nature of their operations.

About 20 per cent of the MSMEs are based out of rural areas, which indicate the deployment of significant rural workforce in the MSME sector and is a testimony to the importance of these enterprises in promoting sustainable and inclusive development as well as generating large-scale employment, especially in the rural areas. At the level of individual households, the expansion in non-farm employment opportunities is believed to have increased the average income of rural households and helped to mitigate the income risk of farm-based households through diversification.[2]

The Indian MSME sector, however, faces several constraints to growth. These include a lack of access to markets and value chains, the unmet demand for better infrastructure, difficulties in managing both skilled and unskilled workforce, technology or environmental constraints and finally, barriers to accessing regulatory facilitation.[3]

A critical factor limiting the performance potential of the MSMEs is access to finance. Credit gaps result from both demand and supply side factors. On the demand side, many MSMEs cannot access credit because of the financial documentation and collateral requirements for obtaining a loan; high interest rates; and long loan approval procedures, among others.

On the supply side, banks often consider MSMEs to be high-risk and high-cost clients to acquire, underwrite, and serve. Revenues per MSME client are lower than those of large firms. Documented information on MSMEs is also often limited. These factors deter banks from lending to small MSMEs and focus their attention on bigger MSMEs or larger firms.

2. The Pradhan Mantri Mudra Yojana (PMMY) – features and overview

To enhance the flow of credit to Micro, Small and Medium enterprises (MSMEs), in April 2015, the Government launched the Pradhan Mantri Mudra Yojana (PMMY) scheme for giving non-farm income-generating loans up to Rs10 lakh by existing government and private sector banks, and other financial institutions. PMMY offers unsecured loans for MSMEs requiring credit for investments in existing businesses, as well as for new start-ups.

Loans upto Rs. 50,000 are categorized as Shishu, from Rs. 50,000 upto Rs. 5 lakhs as Kishore and further up to Rs. 10 lakhs as Tarun loans. Further, by direction from the RBI since 2015, all lending to MSMEs lower than Rs. 10 lakhs by SCBs is required to be uncollateralized. The overall performance of PMMY in terms of number of loans as well as amount disbursed is given below. As can be seen, nearly 17.8 crore loans have been given, worth Rs 8.95 lakh crore in 2015-19. A vast majority, nearly seven out of eight loans were of the smallest Shishu category with average loan size of only Rs 27143, due to which additional income is limited and additional employment is negligible.

Table 1: PPMY Loan for the period Apr 2015 to Mar 2019					
Loan Type	No. of Accounts	No. of Accounts (per cent of total)	Disbursed Amount (Rs. Cr)	Disbursed Amount (per cent of total)	Average loan size (Rs)
Shishu	154,012,989 15,40,12,989	86.48%	418,042 4,18,042	46.72%	27,143
Kishore	19,212,879 1.92,12,879	10.79%	281,970 2,81,970	31.51%	1,46,761
Tarun	4,857,528 48,57,528	2.73%	194,765 1,94,764	21.77%	4,00,954
Total	178,083,396 17,80,83,396	100.00%	894,777 8,94,776	100.00%	50,245

2019-2020: Up to 27th Dec 2019. No. of PMMY Loans Sanctioned: 3,33,33,165
Amount Sanctioned: 169373.91 Crore, Amount Disbursed: 163938.47 Crore

This can further be seen from the analysis of in terms of type of borrowers in the table below. Loans to new enterprises one in 12 and only one out of five borrowers was a woman.

Table 2: By various types of borrowers					
Borrower Type	No. of Accounts	No. of Accounts (per cent of total)	Disbursed Amount (Rs. Cr)	Disbursed Amount (per cent of total)	Average loan size (Rs)
Women	37,062,562 3,70,62,562	20.81%	1,29,153	14.43%	34,847
Minority	6,251,640 62,51,640	3.51%	29,029	3.24%	46,435
New Enterprises	13,393,802 1,33,93,802	7.52%	1,00,925	11.28%	75,352
PMJDY overdraft a/cs (poor households)	671,691	0.38%	63	0.01%	924

Source: https://www.mudra.org.in/Home/ShowPDF   Tab: Overall Performance

Note: Computation for per cent distribution of loan size, amount and average loan size by authors

3. Trends in MSME Lending over the years

In this section, we look at the aggregate lending trends available from the RBI data to understand whether PMMY represents a substantial expansion of credit to MSMEs. The trend for number of loans definitely shows an upwards rise since 2015, particularly for the smallest two categories. This seems to indicate some additionality of PMMY.

But if we study the RBI data on the outstanding credit of SCBs, for loans lower than Rs 10 lakh and made to individuals or firms engaged in Industry, Trading, Transport or Professional Service occupations, the picture is different. This shows that compounded average credit growth was 7.9 per cent in the post-MUDRA 2016-18 three-year period as against 6.6 per cent pa in the pre-Mudra three-year 2013-15 period. That is a very marginal increase, and barely keeps up with inflation. Further it is only slightly above the growth rate of the overall net bank credit of 5.2 per cent in the period 2016-18.
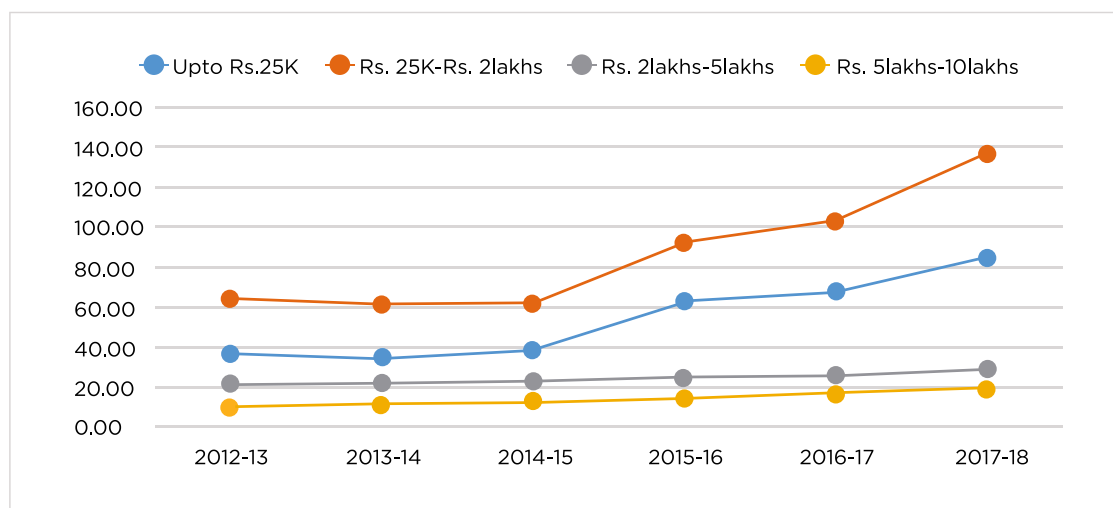
Figure 1: Number of MSME loans in crore upto Rs 10 lakhs by SCBs

Year ending 31st Mar	For loans of Rs 25,000 and Less	For loans above Rs 25,000 and up to Rs 2 Lakh	For loans above Rs 2 Lakh and up to Rs 5 Lakh	For loans above Rs 5 Lakh and up to Rs 10 Lakh	Total loan amount in Rs Crore
Table 3: Small Loans (PMMY as well as others) given by Commercial Banks: RBI Data[4]					
Amount outstanding in Rs Crore					
2013	73,683	4,41,150	4,29,956	2,40,701	11,85,489
2014	37,166	4,89,525	4,75,832	2,82,642	12,85,166
2015	35,995	5,31,504	5,32,215	3,36,272	14,35,986
2013-15				Pre-PMMY	39,06,641
2016	45,884	5,74,849	5,79,623	3,98,791	15,99,146
2017	41,294	6,17,332	6,31,800	4,71,241	17,61,667
2018	43,984	6,86,322	6,98,796	5,78,719	20,078,21
2016-18				Post-PMMY	53,68,634

4. Limited Effect on Additional Employment

The Government had designed the MUDRA scheme as a booster for employment in the lowest end of the MSME sector, which is why the smallest, Shishu loans of up to Rs. 50,000 account for about 85 percent of all the loans.

In a speech on May 25, 2017, BJP President Mr. Amit Shah claimed "We have tried to create self-employment opportunities for about 8 crore people"[5]. In a similar vein, in a speech on October 24, 2018, the Prime Minister Mr. Modi said "Around 14 crore loans were disbursed across the country under this (Mudra) scheme... In the last four years, loans worth Rs 7 lakh crore were disbursed under this scheme. Out of all those who took loans under Mudra, over 3.5 crore youth were first-time entrepreneurs, as they have chosen the path of self- employment for the first time. Today, there exists unprecedented employment as well as entrepreneurial opportunities in the country".[6]

Given these statements, employment created under PMMY would have been much more than 8 crores by December, 2017. The government's constant claims that its flagship Mudra scheme is an engine for entrepreneurship and employment now have been punctured by the survey of Labour Ministry, yet to be made public. The survey studied as many as 97,000 beneficiaries and was conducted between April 2015 and December 2017, the first 33 months following the rollout of the scheme.[7]

The Draft Report has found that 1.12 crore additional jobs were created during April 2015-December 2017, which is nowhere near government claims of 8 crore jobs being created in first 24 months following the rollout of the scheme.

Of this, 51.06 lakh were self-employed or working owners which also included unpaid family members while 60.94 lakh were employees or hired workers. The report also said that only one of five beneficiaries (20.6 per cent) availed the Mudra loan for starting a new business while the remaining applicants used the Mudra money for expanding their existing business. The report also said that the number of additional jobs created in 33 months was less than 10 per cent of the total number of loans.

During the first three years, Rs 5.71 lakh crore of loans was sanctioned under three categories of the scheme – Shishu, Kishore and Tarun. The loans provided under Shishu category led to the creation of 66 per cent new jobs. The new job creation percentage for loans under Kishore and Tarun categories were 18.85 per cent and 15.51 per cent respectively. Dividing the total amount of loan disbursed by the number of additional jobs created, one comes to the conclusion that around Rs 5.1 lakh in Mudra loan was extended for creation of each additional job. This explains why units may be finding it so difficult to generate employment.

As per a report in the Indian Express, "The government's constant refrain has been that its flagship Mudra scheme is an engine for entrepreneurship and employment. A survey by the Labour Ministry, yet to be made public, offers a reality check: just one out of five beneficiaries from the survey availed of Mudra loan for setting up a new establishment, the rest used the funds for expanding their existing business....."[8]. Our attempts to get an authoritative copy of this survey have not been successful till the time of writing.

5. The Problems with PMMY Loans

Out of the 17.8 crore loans disbursed till March 2019, 36.3 lakh accounts were in default as on 31 March 2019, which was about two per cent of the loans disbursed under PMMY. This looks fairly healthy. But non-performing PMMY loans saw a jump of 126 per cent in just one year - the NPAs of loans issued under PMMY rose from Rs 7,277 crore in March 2018 to Rs 16,481 crore in March 2019.[9] PMMY loans have raised concerns about becoming the potential source for the next bad loan crisis, along with some other schemes for MSMEs and farmers.

By their very nature, PMMY loans are flawed as financial products as these are structured as term loans with a tenor of three years, with periodic repayments of principal and interest, whereas 90 per cent or more of the amount is used for working capital, which is needed as long as the microenterprise runs. If the loan is repaid, the unit will not have working capital. These loans should have been offered as cash credit overdraft limits. That would also have reduced the interest burden on the borrowers. To understand this better, let us take a typical Shishu loan, where the average loan size has been Rs 28,000.

The microenterprise is likely to be in trading (such as a Kirana shop, or a street vendor), or in repairs (two-wheeler, mobile phones, consumer durables) or in services like tea-shops, ready-to-eat snack shops, tailors, barbers, cobblers, etc. Of the Rs 28,000 loan, the micro- entrepreneur will normally invest a large part, at least Rs 20,000 in working capital to buy supplies of raw material or goods to be sold, paying wages, rent and electricity. Investment in fixed assets, if any, may go into wooden shelves and weighing scale for a Kirana shop; a gas cylinder, cook stove and utensils in case of a tea and snacks shop; and basic equipment and tools in case of a repair shop.

Now, with a PMMY loan, this micro enterprise has to make a periodic (monthly or quarterly) payment of a principal instalment and interest.   For a loan of Rs 28,000 repayable monthly over 36 months, that could be as much as Rs 1000 per month. As we know, a vast majority of loans go into trading activities, and if we assume that the sales turnover was four times of the loan amount, it would be Rs 1.12 lakh. Even if assume 15 per cent margin, on the higher side, the gross income will be Rs 16,800 in the year. The net income from the microenterprise is unlikely to be more than Rs 1400 per month, which means the monthly instalment is 70 per cent of the incremental income, leaving behind a mere Rs 400 per month. This is bound to be drawn out by the micro-entrepreneur to meet household needs. If in some months due to contingencies such as illness in the family, the micro-entrepreneur draws out more money, she will end up skipping an instalment. As happens, there is an adverse event like illness in the family, or a theft in the shop, or a client does not repay goods/services rendered on credit, there is no cushion to maintain the instalment repayment and this leads to the loan becoming a non-performing asset. Catching up on older instalments becomes tougher. Even if assume that the micro-entrepreneur has other cashflow to meet their personal needs, they will still be able to save only about Rs 400 per month, which in 36 months will add up to Rs 14,400, and is just about half of the loan taken. In the meanwhile, three years have passed and if anything, the working capital requirement would only have increased

beyond Rs 28,000. Thus micro-analysis shows why PMMY loans will not work to improve things for most of the micro-entrepreneurs, except temporary relief for the first one or two years.

6. The Way Forward

Yet, we cannot afford to merely critique the PMMY scheme. A viable alternative is needed. The inevitable conclusion from the above analysis is that PMMY needs to be revamped.

As explained earlier, PMMY loans are prone to default because debt for new enterprises is the wrong financial product. In debt financing, the entrepreneur has to maintain the fixed instalment repayment and this leads to the loan becoming an NPA. Catching up on older instalments becomes tougher. Had the Mudra financing been done using the micro-equity framework, the build-up of NPAs would have been avoided. Currently this is tried to be obviated through credit guarantees from the Credit Guarantee Trust for MSMEs (CGT-MSME).

But no guarantee mechanism can sustainably deal with failure rates as high as a 70-80 per cent among new enterprises. Only a micro-equity fund mechanism can handle this. While many enterprises would go under, or would be marginally profitable, returns from the surviving and thriving enterprises would have been enough to offset the investment losses. If necessary, till the instrument gets fully established, a risk cushion may be provided by an entity like the CGT-MSME to the early small investors in micro-equity funds, so that they are assured of at least principal protection. Perhaps the MUDRA Agency can be redesigned and given this role.

An expert committee was established by the Reserve Bank of India early this year under the Chairmanship Shri U.K. Sinha. The RBI announcement said:[10]

> *"Considering the importance of the MSMEs in the Indian economy, it is essential to understand the structural bottlenecks and factors affecting the performance of the MSMEs. It has, therefore, been considered necessary that a comprehensive review is undertaken to identify causes and propose long term solutions, for the economic and financial sustainability of the MSME sector."*

The expert committee was established soon after the RBI allowed a one- time restructuring of existing debt up to Rs 25 crore for the micro, small and medium enterprises (MSMEs) which have defaulted on payment but the loans given to them have continued to be classified as standard assets. This includes all the PMMY loans. The report of the Committee came out in Jun 2019 and it made several recommendations on financing, which are excerpted below:

> 10. Ministry of MSME may consider setting up of a Non-Profit Special Purpose Vehicle (SPV) to support crowd sourcing of investments by various agencies particularly to pave the way for conducive business ecosystem for MSMEs...

> 11. The Committee has made wide ranging recommendations for expanding the role of SIDBI. The Government should deploy the PSL shortfall to SIDBI on the lines of RIDF fund of NABARD, for lending to State Governments as soft loans for infrastructural and cluster development. SIDBI should deepen credit markets for

MSMEs in underserved districts and regions by handholding private lenders such as Non-Banking Finance Companies (NBFCs) and Micro Finance Institutions (MFIs). Further, they must develop additional instruments for debt and equity which would help crystallise new sources of funding for MSMEs and MSME lenders such as first loss guarantees, Pass Through Certificates (PTCs), etc. SIDBI should gradually take on the role of a market maker for SME debt on select platforms.

12. SIDBI, as a nodal agency, should ideally play the role of a facilitator to create platforms wherein various Venture Capital Funds can participate and in turn create multiplier effect for providing equity support to MSMEs. A Government sponsored Fund of Funds (FoF) to support VC/PE firms investing in the MSME sector should be set up to encourage them to invest in the MSME segment...

14. The Committee recommends for the creation of a Distressed Asset Fund, with a corpus of 5000 crore, structured to assist units in clusters where a change in the external environment... has led to a large number of MSMEs becoming NPA...

18. With the increased availability of data from several sources, including GSTN, Income Tax, Credit Bureaus, Fraud Registry, etc., it is now possible to do most of the due diligence online and appraise the MSME loan proposals expeditiously. It is recommended that banks should have access to such surrogate data for speedier and robust credit underwriting standards.

ENABLING MICRO ENTREPRENEURS TO SCALE

While it will require several years to implement the recommendations of the UK Sinha Committee, here are some recommendations about changes in the design of existing loan products which can be implemented in the short run.

- Below Rs 1.25 lakh (the new RBI limit for microfinance loans), we may continue the present MFI system of giving a composite loan with an equated monthly instalment, following the maxim "don't fix what ain't broke". We can go more digital as suggested in recommendation 18 of the UK Sinha Committee report to undertake due diligence, help build borrower cashflow history, to look for winners who can graduate.

- From Rs 1.25 lakh to Rs 5 lakh, we may continue with loans, but make those into two parts, first a term loan (which NBFCs or banks/SFBs could give) and a second component can be added – a Cash Credit limit which should be given by a co-financing SFB/RRB/UCB/ any other commercial bank. All cashflows must be routed through the cash credit account to keep good track of the business.

- From Rs 5 lakh upwards, we should offer micro-equity for start-ups which are GST registered and are willing to share their input/output data to ensure digital tracking of business input purchases and output sales, plus utility bills, statutory payments etc. The return on the micro-equity can be linked to the revenue share (which can slowly decline as a per cent and eventually taper off once the hurdle IRR of 60-70 per cent pa is achieved. So, there will be no need to monitor profits, which are hard to determine.

Micro-Equity financing is based on the principle that in case of a start-up enterprise, the financier must share the risk if he wants to share the profits. The proportion of risk and return sharing can be negotiated in advance but unlike in a debt instrument, there is no promise of a fixed return to the financier nor are the dates and amount of repayment (interest and principal) instalments pre-fixed. The product should ideally be offered by entities registered with SEBI as Alternative Investment Funds, AIF Category I, with some tweaking on extant provisions. Those details can be worked out by a technical working group.

In the meanwhile, the RBI can guide MFI-NBFCs, NBFCs, SFBs and commercial banks to offer the first two types of loan products. The task is urgent. Millions of MSMEs are waiting for this to happen and if it happens, it will generate a large number of employment.

Notes

[1] Expert Committee on Micro, Small and Medium Enterprises, Chair Mr UK Sinha, Reserve Bank of India, 2019
https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=924

[2] Morduch 1995

[3] Planning Commission 2013

[4] Basic Statistical Returns for Scheduled Commercial banks, RBI for last 6 years

[5] Hindustan Times May 31, 2019

[6] Business Standard October 26, 2018

[7] Indian Express September 4, 2019, https://indianexpress.com/article/india/just-1-in-5-mudra-beneficiaries-started-new-business-half-of-extra-jobs-were-self-employment-govt-survey-5963553/

[8] Indian Express September 4, 2019, https://indianexpress.com/article/india/just-1-in-5-mudra-beneficiaries-started-new-business-half-of-extra-jobs-were-self-employment-govt-survey-5963553/

[9] Business Today June 25, 2019

[10] RBI policy Statement December 5, 2018

Degeneration of Resources - Impact on Baigas

Pradeep Bose*

Background

Baigas belong to one of the particularly vulnerable tribal Groups (PVTGs) of Madhya Pradesh and Chhattisgarh states. Besides, a few thousand Baigas live in Mirzapur-Sonbhadra belt of Uttar Pradesh and a few hundreds of them are in Bangladesh, as well. There are presumably about five lakh Baigas in India, nearly 75 percent of them live in Dindori, Mandla, Balaghat, Umaria, Shahdol, Anuppur, Sidhi and Singroli districts of Madhya Pradesh. Kabirdham and Bilaspur have been two Baiga majority districts in Chhattisgarh.

Baiga literally means axe and 'Bewar' means slash and burn based shifting agriculture that this tribal community practiced for thousands of years before the British Raj in India

* Dr. Pradeep Bose, Independent Researcher based in Udaipur, Rajasthan

compelled them to restrict Bewar in Baiga Chak belt (100 sq. km.) of Dindori district in 1890s. Baigas however continued their nomadic-roving style of living and slash and burn type cultivation in a few small raja ruled kingdoms of Ghughri, Kawardha, Bodla, Pandaria, Pendra and other regimes, despite British restrictions. Baigas resisted settled cultivation because as per their faith they could not plow the Dharti Mata. It was only by 1955 that the Baigas became sedentary agriculturists and gave up Bewar. The contemporary Baigas are the fourth generation of settled Baigas who are engaged in agriculture but have not yet become efficient farmers.

Baigas are highly dependent on natural resources for their lives and livelihood. However, from 1890s onward they were forced to change the they were living for generations inside forest. Both changes in policies and degradation of natural resources around Baiga habitat in the central part of India affected them badly. To understand the degradation of natural resources and their impact on communities like Baiga, the RGICS commissioned a short study in few Baiga villages of Sahdol and Anup Pur districts in Madhya Pradesh. Using combination of random and snow ball sampling the researcher identified 14 villages and interviewed 88 villagers and number of block and district level officials to understand state of natural resources and socio-economic conditions of Baigas. This study was conducted in baiga majority Sohaagpur, Gohaparu and Pushaprajgarh block of above mentioned two districts.

Socio-Economic Profile of Baigas in Sahdol and Anuppur

There are three kinds of Baigas in Shahdol and Anuppur districts. They are Bhumia Baigas, Bharia Baigas and Dhanuhar Baigas. Bhumia-Baigas are the authentic Baigas. Most of them live in Pushaprajgarh block of Anuppur district. Bhumia-Baigas are also sprinkled around the Shahdol district. Bhumia Baigas make about 80 percent of the total population of Baigas in these two districts. Bharias is another PVTG of MP and Chhattisgarh which is probably said to have started itself calling Baigas since 1996, when the Baiga Development Authority was formed and special programs of Baigas were framed and run. Bharia Baigas are in largest numbers in Shahdol district and they make about 10-15 percent of Baigas in these two districts. Dhanudhar Baigas, who have tattoos of unique kind but unlike those of Baigas, show archery-based hunting characteristics of Baigas, Kamars and Hill Korwas and they predominantly inhabit Anuppur block.

There are nine community development blocks in Shahdol and Anuppur districts. And there are 1436 inhabited villages in two districts. Baigas live in all these blocks. As per Umesh Tiwari of Baiga Development Authority of Shahdol Baigas might be residing in about 500 villages of these two districts. As per the detailed household survey conducted by Baiga Development Authority in the year 2001, there are about 16,000 Baiga households in these blocks. The average family size of Baigas in these districts is 4.87. Hence there are, in all, about 78,000 Baigas in these two districts. However, Sohagpur and Gohparu blocks of Shahdol and Pushaprajgarh (Rajendra Gram) blocks of Anuppur together have about 56 percent of total Baigas or 9000 Baiga households with about 43700 Baigas in 238 villages. Owing to large concentration of Baiga households in these 238 villages of three blocks, these blocks have been notified as Baigamajority blocks.

Baigas of Pushapraj Garh

Pushaprajgarh or Rajendra Nagar block is adjoining Baiga-chak belt of Dindori district, the most hard-core Baiga area of the tribe. Baigas of Rajendra Gram block tend to live in remote and exclusive hamlets of their own that are located close to some thick patches of forests. Almost all women have tattoos on their foreheads and limbs and there are still some men who keep long hair. Each Baiga household has about 0.2 to 0.5 acre of land adjacent to its home where they grow crops of maize, pigeon pea and rape seed. Most of Baiga households also have encroached forest land on which they grow paddy and small millets, i.e. kodo and kutki. None of the four villages visited had beneficiaries of Forest Rights Act, 2006. They still broad-spread paddy seeds and have not learnt transplantation.

Baigas in Shahdol District

Almost all the 104 Baiga inhabited villages of Sohagpur are located within 20-25 km. radius of Shahdol town (population of about 2.5 lakhs), further 69 Baiga-inhabited villages of Gohparu block also fall within 25 to 40 Km. from Shahdol town. Most of the Baigas from these Baiga villages are educated, celebrate all the Hindu festivals and wear modern dresses. The young generation is oblivious of the old Baiga legacies and beliefs. There is hardly any man with long Baiga-style hair or a woman with tattoos. Their dependence on forest produce is minimal and they are either engaged in farm or construction labor or are in the service sector. Baiga women have picked up Purdah system from high caste Hindus and many of them use Bindi which was an anathema to Baigas about 20 years ago. There are very few Karma dancers and Dadaria singers left in these villages. Most of them have adopted transplantation of paddy.

Except for a few households of teachers and other govt. servants, all the Baiga households are holders of yellow ration cards that enable them to get 21 kg wheat and 14 kg rice per month @ Rs. 1 per kg. Besides, these households get one kg of sugar, one kg of common salt and two kg of gram per month at the subsidized rates. Owing to this regular PDS supply of cereals the Baigas' intake of traditional porridge (pej) made from kodo, kutki and maize has been reduced over the last few years.

State of Natural Resources and Baiga's Livelihood

Based on the interaction with the Baigas in 14 locations the researcher has arrived at six top-most livelihoods of Baigas, in descending order. The first primary livelihood of Baigas is agriculture and agriculture labor. The second primary livelihood is non-farm labor, what Baigas' call 'inta-gara' and migration-based labor. The third primary livelihood of Baigas in Shahdol and Anuppur districts is collection and sale of NTFP. Their fourth primary livelihood is to work as blue-collar workers, viz. as drivers, masons, auto owners cum drivers, tailors and shopkeepers. Fifth livelihood of the Baigas in the descending order would be livestock production and the sixth livelihood of the Baigas will be as illicit mahua liquor brewer and seller. As we seen from this list that most of their occupations have direct relation with local natural resources such as agriculture, livestock, mahua, NTPF collection etc. Therefore, to understand their lives and livelihood, it is necessary to understand the state of natural resources around them.

State of Surface Water

Three perennial rivers originate from Amarkantak, located in Anuppur district. These are Narmada, Son and Johilla. Johilla finally meets Son and Son meets the Ganga near Patna.

Besides, there is another perennial nala called Ghorari that meets the Son near Anuppur town. There is only one perennial river that is tributary of the Son in Shahdol district, called Banas. Hence, in all, five perennial rivers flowed through Anuppur and Shahdol districts. These five perennial rivers hardly have any substantial impact on the livelihoods of the Baigas.

As depicted in images below, it is the small nalas like the Bahgarh of Garhi Dadar village that either originates from a pond or ends as a pond with spill way and the number of ponds in a village like Devhara that provide succor to the Baiga households. However, these nalas and ponds are useful only for about two to four months, i.e. for the supplementary irrigation of kharif crops, for the water levels in the ponds and downstream wells fall drastically by November end. Therefore, there is hardly any water left for rabi irrigation and for drinking after mid-December.

Bahgarh Nala in Garhi Dadar   Barrage on Son River in Anuppur   Devraha has a series of 5 ponds

The villagers particularly pointed out that about 20 years ago the nalas of Salaia, Behrulia, Pachedi, Parsaun and Bardhauan ran live for seven months, from July to January, but these dried up by October-end these days.

Twelve of the fourteen villages visited had ponds. Most of these ponds were built through MNREGA funds. However, all the 14 Baiga villages had seasonal nalas. Only four nalas ran till mid-November and all other nalas dried by the end of September. Ubiquitous plantation of eucalyptus trees in the area must have eroded the surface water availability. Villagers interviewed said that about 20-25 years ago there used to be enough surface water in these nalas till March to grow rabi crops like peas, gram and even some wheat. Besides, Baigas used to catch tiny fish from these seven months running streams.

Researcher believes that there were still about half a dozen nalas in the target villages that have yet not been linked to ponds. If these new ponds were built, there will be augmented availability of surface water in the area, plus Baigas should be taught pisciculture for improving their protein diet.

State of Ground Water

There were about 25 dug wells in the 14 villages studied that had water at 20-25 feet. During the rainy season these effective dug wells had water at just 10 ft. These dug wells were located downstream or were adjacent the ponds and nalas. All others dug wells had dried up. But each of these effective dug wells could irrigate merely half an acre or an acre of rabi crop or vegetables. In order to irrigate more than one acre of crops, a villager must sink a borewell. It is generally the non-Baigas like Gonds, Patels and Yadavs

who live near Baigas that have borewells. Only three Baigas households in the 14 villages studied had borewells.

Shahdol district historically gets annual rainfall of above 1100 mm and Anuppur district gets above 1200 mm per year. Till last fifteen years the ground water level was at about 15 to 20 feet and in some areas up to 30 feet in these two districts. But due to excessive utilization of dug wells and lack of their adequate recharging have made these wells irrelevant.

Most Baiga villages/hamlets had two hand pumps each. One of these worked, whereas the second one was generally out of order. 12 villages hamlets/villages visited had adequate additional drinking water available through dug wells and bore wells. However, two of the 14 Baiga habitations visited did not have enough safe drinking water. These two villages that did not have all-weather working hand pumps were: Garjan Tola and Darra Pani. Meanwhile, Phanki Bija hamlet had tapped/piped water made available to 15 Baiga households.

State of Forests

Umaria was carved out of Shahdol district in 1998. While Umaria district has about 36 percent of its area covered under very dense and moderately dense forest and also a relatively bigger number of Baigas, the remaining district of Shahdol had just 16 percent of very dense and moderately dense forests in the year 2000. Shahdol district was further partitioned in 2003 and only about 3700 sq. km. of area was taken out to make Anuppur district. As per the State of Forest Report, 2017 Shahdol has about 14 percent very dense and moderately dense forests. Anuppur has about 12 percent very dense and moderately dense forests. Pushaprajgarh block of Anuppur happens to have almost the whole of dense and moderately dense blocks of forests; whereas Shahdol had very dense and moderately dense forests spread all over the district.

The density of forests studied in the fourteen villages has reduced in the last twenty years, as the villagers pointed out to researcher. The so-called very dense and moderately dense forests in these two districts have huge patches of Lantana camara (called Baramasi in Shahdol) and Parthenium hysterophorus (gajjar ghas). Almost all dense forests have been fringed by large number of Butea monosperma (palash) trees and there are many eucalyptus trees that have invaded these forests. A breakup of Shahdol-Anuppur forests into trees is as follows: Sal Trees = 40%; Eucalyptus Trees = 15%; Tendu Trees = 10%; Sagwan Trees = 10%; Achar Trees = 10%; Harra, Beheda and Aonla Trees = 5%; Palash Trees = 5%; Other Trees = 5% (Some forests have Mehul vines, Bamboo, Mahua, Dumar or Gular, Kachnar, Sajha and Mango trees)

There is Orient Paper Mill in the area. Everybody, whether forest department or the private farmers, are keen to sell eucalyptus trees to this paper mill. Owing to such large number of eucalyptus trees, surface water and ground water get adversely affected in both the districts. Besides, the barrage on Son river has been built in Anuppur district for supplying water to Northern Power company which produces about 1200 megawatts of power per day and supplies it to central grid. There is a small Bauxite mine owned by a Mittal family of Katni, in Gadhi Dadar village of Pushaprajgarh block. This Bauxite company plants eucalyptus plants in mined and spent pits. 35 Baiga households of Chachan Dih Baiga Tola in Garhi Dadar village got displaced owing to the Mittal company's bauxite mining. Researcher noted that the forests of Pushaprajgarh, near Baigas' villages do not have eucalyptus trees.

Lantana and Parthenium weeds in the forests have inhibited the growth of some of the NTFPs like charota, van tulsi and van jeera. Besides, the growth of Mehul leaves has also dwindled in the forests; hence the finest quality of dona-pattals made by these leaves is not visible in the study-area.

With the dilution of forests' density almost all the game birds and animals have disappeared from the forests. Hence Baigas are not able to have animal proteins that they historically replenished from hunting.

State of Income from Non-Timber Forest Produces

The income of Baiga households from various non-timber forest produces (NTFPs) have fallen significantly in last 20 years. With the distinct fall in trees' numbers vis-à-vis Achar, Aonla, Harra, Behda, Mehul leaves and drop in number of herbs of charota, van jeera and van tulsi; the income-kitty from NTFPs has got constricted. Now Baigas have just nine NTFP based sources of income, whereas they had about 20 NTFP items to exchange in the market. The extant NTFPs that they have are: mahua, tendu leaves, achar, firewood, sal leaves, sal seeds, chhindi-brooms, bamboo baskets and charota.

Baigas' top source of NTFP based income is sale of head-loads of fire-wood. Tendu leaves are distant second NTFP. The reason for dwindling of tendu leaves based source of income is: govt. has progressively reduced days of collection and number of collection centers has also gone down. Mahua, sal seeds plus its leaves and achar are third, fourth and fifth NTFP sources respectively. Remaining NTFPs offer very limited opportunities and to very few Baiga households.

State of Land and its Productivity

Soil type in Shahdol and Anuppur is either lateritic or red and yellow. The soil is generally deficient in nitrogen. The texture of soil is sandy loam, loam to clayey loam. 70 percent or 62 Baiga households studied were of marginal farmers and 30 percent or 26 households were of small farmers. Most of the marginal farmers grow primarily kharif crops plus some rape seeds in rabi, whereas small farmers tend to grow dual crops, including grams, peas and wheat. The kharif crops that the Baigas grow are: maize, paddy, black gram, pigeon peas, sesamum, kodo and kutki. Some small farmers grow vegetables also. As has been stated earlier, most of the Baigas from Pushaprajgarh, in Anuppur district do not transplant paddy seedlings; they rather broad-spread the paddy seeds. However, all paddy-growing Baigas of Shahdol district had been engaged in transplantation.

Shahdol and Anuppur generally have clayey loam soils that have low humus and alkaline pH. Baigas also do not get their soil tested for its organic content, pH, major and minor nutrients. Most of the Baigas are very backward farmers who neither know how to use cattle dung (bio-fertilizers) in their fields nor they use proper doses of chemical fertilizers.

Owing to limited sources and area of irrigation in these two districts, the productivity of crops is low. As per 2011 Census Book of Shahdol, the district had 14.4 percent irrigated area of the net sown area. It does not seem that the percentage of irrigated area of the net sown area would have gone up in last eight year in Shahdol district. Anuppur district, as per its census book, 2011 has only 2.26 % irrigated area to the net sown area and Baigas of the district also reflect the similar irrigated area to their net sown area.

Baigas can grow about three quintals of maize per acre, eight quintals of transplanted paddy per acre, three quintals of broad-cast paddy, two quintals of kodo or kutki per acre.

State of Livestock

As the following photo set -15 suggests about 90 percent or 79 Baiga households studied had cows and bullocks. Average cattle size per household is four. Meanwhile, about 60 percent or 52 households reared goats. Average size of goat per household was 1.5. Further, 30 of 88 or 34 percent households had poultry birds. 14 of the 17 households studied in Pushaprajgarh block kept pigs. Pig-rearing household kept just one to two pigs each.

It seems several Baiga households in Gohparu block of Shahdol district adopted small holders' intensive broiler farming under the influence of NRLM in 2014-15. However, many of them suffered losses and gave up poultry rearing. Researcher found three such poultry farmers who still carried on with broiler farming, with a couple of months gaps during the rainy season. Meanwhile, NPC promoted kuroiler farming with about 20 Baiga households.

Even though there are many Baiga households that have goats, poultry and pigs; their food contains very little share of proteins. It was owing to very poor nutritional status and high degree of protein deficiency among Baigas that government started giving 1000 rupees per month to each woman head in Baiga household. But owing to low awareness Baigas still eat too little animal proteins than what is needed for their healthy living.

Baigas rear cattle not for producing milk but for producing bullocks that they require for plowing, dung for making cakes and as bio-fertilizer (but they do not engage in composting the dung manure). The quality of Baigas' cattle production and management allow a cow to yield about a quarter of liter per day. Hence one may not expect Baigas becoming efficient milk producers and meeting their protein requirement through milk. They can become good meat producers of bucks and desi chicken and even piggery farmers. Each Baiga household needs to keep the flock size of eight goats and two bucks and15 desi poultry birds with at least four eggs produced daily. With these many birds and goats, they may not only meet their protein requirement but earn some disposable income as well. Cross-breeding desi goats with Sirohi bucks and introduction of Kuroilers may augment Baigas' income.

Conclusion

This study of Baiga villages in Sahdol and Anuppur district in Madhya Pradesh indicate that the entire Baiga community in the state have lost their traditional lifestyle due changes in state policies related to natural resources over last more than 100 years. Moreover, the degradation of natural resources due to various regions has also adversely affected their lives and livelihoods. From the findings of the research, we can conclusively state that heavy dependence on natural resources makes the Baigas highly vulnerable and sensitive to natural resource degradation and climate change. While climate change can only be combatted on a global scale, degeneration of certain local resources such as forests can be done by empowering the local community to do so.

Higher Education Fee HIkes: Affordability vs. Sustainability

Sushree Panigrahi *

Introduction

The resurgence of student activism in India in 2019 is reminiscent of the decades of 1980s and 1990s when Asia saw powerful governments bite the dust in face of student led protests. China, Taiwan, Hongkong, Indonesia, Thailand, Malaysia, Burma and Philippines have been the site of student resistance movement against the State. The protest at Tiananmen Square by students against an oppressive Chinese government in 1998, Reformasi Movement of 1998 in Indonesia, against dictatorship in South Korea in 1980s, `and the ouster of President Joseph Estrada in 2001 are examples of how students have led a strong opposition against a dictatorial and repressive regime. Weiss and Aspinall locate the above mentioned instances of student led protest movements in 'developmentalism' which they define as a " state ideology that entails cooperation between civil and military power holders and technocrats to implement an export driven growth strategy to win popular support for non democratic rule" (Weiss, Aspinall, Thompson, 2012: 2). They further add that in order to understand and study student

* Dr Sushree Panigrahi, Senior Fellow, RGICS

activism we need to locate it in the "higher education policies, structure of civil society and political regimes and transnational connections" (2012: 4). Scholars of students' movements and activism, like Altbach argue that students bring with them idealism and often fill a political vacuum in society. The current wave of dissent in India against the Citizenship Amendment Act (CAA) and National Register of Citizens (NRC) which is being led by students to a large extent is being attributed to a political vacuum created by lack of cohesive opposition.

India has seen student mobilisation since the freedom struggle and later during Emergency which was a national issue and later on the issue of caste in higher education (Mandal Commission). Today we are witnessing probably one of the largest organized protests which have now spread across the globe. The students (along with members of the civil society) have taken the government head on and the police atrocities at a University (Jamia Milia Islamia) have triggered off a chain reaction from across the globe. Teachers and students from Oxford, Yale, MIT, Harvard, Heidelberg, Columbia, Stanford and many more have written open letters, organised meetings and marches against State atrocities on students. For the first time in many years, students from even non-political campuses like IIT have joined in the protest. Thousands of students have taken on the government fearlessly- speaking out against a repressive and divisive government.

The CAA and NRC debate may have set off a simmering discontent that has been brewing in the student community for a while now. There has been a concerted effort by the Government now and in the past too to promote private universities at the cost of public universities. Several universities have been resisting and fighting against fee hike and, discriminatory hostel rules over the past few years. Universities like JNU have been fighting efforts of the government to change the character of the university through fee hikes for the past 70 days. Things have come to a head- on the 5th of January 2019, with the right wing student wing attacking and assaulting students within the campus and the police force instead of protecting students and faculty was a mute spectator to the violence that was unleashed. Masked intruders entered the campus and beat up students and teachers who have been protesting against the administration and the government in the past months. The students union released a letter which among several things says that they will continue to fight against fee – hike which is a clear attempt to turn JNU into an institution for the elite and rich. Teachers have written open letters condemning the violent attack and the complicit role of the State.

The student community has mobilised for national issues as well as university based issues. Apart from JNU several other universities have been protesting regarding fee hike. Some of the protests have received national coverage and some have not. The protest against fee hike in the JNU attracted a lot of media attention. We begin by describing the historical context of higher education policy. The last section examines how fee hike impacts higher education and the society at large. After the JNU protests some have argued that the government need not subsidise education for all and that public money can be put to better use. We explore all this and more in this article.

Historical Context: Education, Policy and Issues

The two key points raised in the issue of fee hike is that of access to education and quality of education. With literacy being a concern at the time of independence it was important to draft out a vision of education that was inclusive of all sections of society. The Indian

system of education differentiated between primary education and higher (collegiate education) since 1882. While the government was responsible for primary education, higher education (college and universities) was to be largely private aided. It was during the national movement that the idea of a national system of education was proposed. The British government had issued orders that students should refrain from participating in any anti-government activities- political meetings, demonstrations and anti partition movements. The Indian National Congress at this juncture came up with a resolution that they would set up a national system of education which would promote- "Literary, scientific and technical education suited for the requirements of the country, on national lines under national control and directed towards recognizing a national destiny." (Ayyar, 2017)

State and Education: Vision and Planning Post Independence

Back in 1944, the Sargent Report on the status of education recommended that the Central Government should take over more of the financial responsibility of Universities and professional education. It was the very same Sargent report which suggested that the central Indian University Grants Committee be set up which would function as a regulatory body for all the Universities. However the report also states clearly that the UGC should not interfere in the autonomy of the provincial universities. Based on this the UGC was set up through an executive order passed in 1945. Similar suggestions were made regarding technical universities following which the AICTE was set up in 1946 to "stimulate, coordinate, control the provisions of the technical education facilities" (Sargent Committee Reports: 93).

Several subsequent reports post-independence pointed out the need for quality of education and access to education especially in the rural and semi-urban areas. The Radhakrishnan Commission was the first commission set up after independence under the chairmanship of Dr S. Radhakrishnan, the eminent educationist who later became President of India.

Control of education was a matter of much debate – whether it was to be included in the Union or State list. The States were in no mood to concede to the demand of the Centre to make education a Union subject. The result of series of debates and discussion was that education was placed in the concurrent list which would ensure that the states ensure a minimum standard of education and at the same time there would be joint collaboration with the Centre with regard to policies and addressing gaps and preventing duplication. It was this commission which gave the UGC power to allocate grant within limits rather than going through the circuitous route of submitting proposals to the Finance ministry for approval. It was a result of the recommendation of the Radhakrishnan Committee that the UGC was reconstituted as a statutory body in 1956.

Maulana Abul Kalam Azad, Minister for Education was in favour of education being added to the Union list as he was of the opinion that there should be uniformity in how the intellectuals think and this could be achieved if the Centre was in charge of education. He also wanted that the Centre be in charge of planning and standard of education. But this idea was opposed by the States. The result of the discussion was that the Central Universities and research institutes were placed in the Union List. The Union was also in charge of maintaining standard of higher education and oversee the performance of the States with regard to education.

In 1966, the Kothari Commission suggested that India should spend atleast 6% of the GDP on education. It was between 1950-51 and 1965-66 that the number of universities and technical institutes saw a visible jump. It was during this time that the AIIMS, IITs and RECs were established. The universities increased from 27 to 64; the number of art and science colleges increased from 370 to 1536; enrolment in higher education and professional education increased to 13 lakhs from 3.6 lakhs. Over the years the number of institutions and universities increased but this came at a cost- that of quality.

In his work titled 'The History of Education Policy Making in India: 1946-2016, 'Ayyar (2017) writes that Central and State government policies are meant to ensure equal access to education. According to Ayyar, the idea of free and compulsory primary education may be hard to achieve "due to both administrative and financial reasons".

Education and Employability: Questions on quality of education

The Sargent report of 1944 on status of education may well be talking of the problems being faced by the higher education system today:

There has been a general lack of planning in university education and both Central and Provincial Governments have yielded to popular pressure in bringing universities into existence without providing the necessary resources to enable them to function on sound lines...Moreover the universities have been handicapped by the fact that the education given in most high schools have been very inadequate preparation for a university career.

We see an echo of this in Ayyar's work in which he points out the problem of 'unemployability' of most of the college graduates and the wasteful chasing of degrees and diplomas in the hope that prospects of employment would thereby improve." Similar ideas mark the articles of Mishra and Singh (EPW, 2015) and Sahni and Shankar (EPW, 2015). The question of employability of graduates from higher education institutions remained an issue. Several reports have pointed that while enrolment and number of students may well have increased but the employability of the youth remains a concern and this we can link back to the unplanned growth of educational institutions leading to a lack of quality thereby affecting employability.

Several reports like the most recent National Employability Report for Engineers: 2019, or the NASSCOM-McKinsey Report of 2009) have spoken of the unemployability of engineers given the mushrooming of private technical institutes going so far as to day that 90% of the engineers are not fit to be employed. In 2015, Shankar and Sahni in their article based on a research of economics graduate students argue that most of the social science graduates are unemployable and hence their employability is to be linked to the abysmal school education. They were drawing upon the ASER report that is based on school education. They point that the social scientists form a considerable part of the educated unemployed. A rebuttal was published by Mishra and Singh a few months later that "the higher education system reproduces the learning deficits of schools, but rather it adds to them and closes opportunities for academic growth even of those students who could do well" (Mishra and Singh, 2015). They further point out that it is the lack of ethics and quality among teachers in Universities that has led to this situation.

Cost of Education and the Role of the State

In 1999, when Shri Atal Bihari Vajpayee was Prime Minister leading the then NDA government, the Prime Minister's Council on Trade and Industry established a Special

Subject Group on Policy Framework for Private Investment in Education, Health and Rural Development. The report was given in April 2000. It submitted a 'Report on a Policy Framework for Reforms in Education' written by Reliance Industries Limited (RIL) chief Mukesh Ambani (convenor) and Aditya Birla Group head Kumarmangalam Birla (member). Many of the reforms happening now are reminiscent of the recommendations of the Ambani-Birla report presented two decades ago.

The summary of the recommendations of the Ambani-Birla Report (2000) is given in the appendix. It made a push for government investment in primary education but not higher education. The report speaks of 'investment' in market friendly and market oriented courses. More and more private players are looking at education as a money making venture and students as mere 'consumers'. Nandita Narain, Associate Professor at DU, said that report makes "education not a right but a luxury." Reports show that private education has doubled and is now projected to become a 180 billion industry by 2020.

The MHRD has been asking universities to raise 30% of their funds Among several the implications of fund raising one is that the donor may get to decide on courses which would inevitably be industry oriented and also dictate other terms and conditions like the Birla-Ambani report does. The report clearly says that there will not be a Student Union on campus, no political activity or relation with any political party. In short a sanitised campus which does not promote critical thinking or analysis or provide a democratic space. The sentiments of the Ambani-Birla report are echoed by many who question the 'utility' of education from a market perspective.

It cannot be denied that both quality and employability are central to education but so is access to education. Access to education can be impacted one by location/ distance and the cost of education to the students. In this article here we will focus on how several universities have seen a fee hike and fuelled several protests. How does fee hike impact students in particular and education at large will be discussed in this article. We will substantiate secondary literature on student protests with our own field work done in several states across the country.

Nationwide Fee Hike Protests
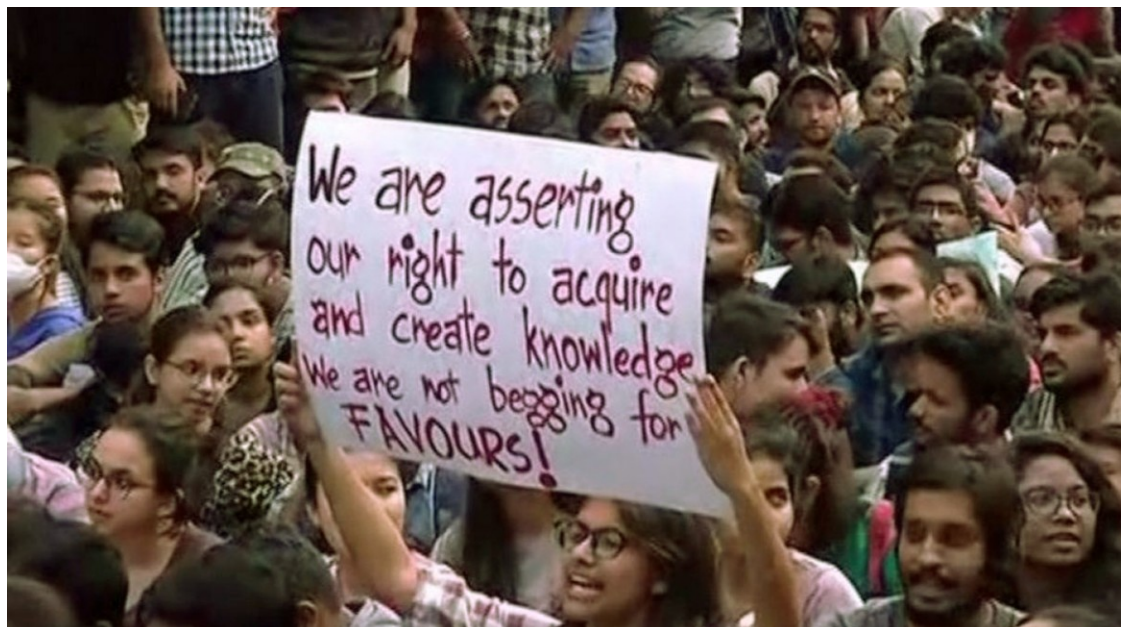
At the beginning of 2019, the Rajiv Gandhi Institute for Contemporary Studies (RGICS) initiated a study - Education, Ideology and the State. This was to understand a large number of protests that were taking place across the country in what was viewed as intrusion by the state on ideological grounds. Universities across the country were chosen for the study and interviews were conducted with students and teachers in an effort to understand:

- Understanding how ideology shapes relationship between students and teachers and the administration

- National Symbols, nationalism on campus and the role of the State

- Student and Teacher Union, political activity and activism in the University campus

- The main issues facing both students and teachers with regard to facilities in the university, courses, funding, fees, recruitment

For the study, students and teachers from both humanities and social sciences and the sciences and engineering streams were interviewed. As of now we have interviewed about 580 students and 150 teachers in total and in the process of putting the data together.

In our study, we found that in 14 out of 15 humanities and social sciences universities and in 14 out of 15 higher technical institutions, the fees had been increased. The only exception in the first category was Gulbarga University and in the second, it was Jadavpur University. In response, the country witnessed several protests with regard to fee hike across the country.

JNU has been in the news too in the past few months for their protests regarding the fee hike. The JNU protests have taken centre stage in the debate regarding fee hike and given rise to different aspects of cost of education, the larger vision of education. We will get to that later. The fee hike has been justified by the JNU administration due to fund deficit of Rs.45 cr. The administration proposed the following new fee structure:

Table 1: JNU Original Fee Hike		
	Existing Charges	**Revised Charges approved by IHA**
Mess bill	as per actual	as per actual
Establishment charges	1,100 per semester	1,100 per semester
Crockery, Utensils	250 per year	250 per year
Newspaper	50 per year	50 per year
Room rent (single)	20 per month	600 per month
Room rent (double)	10 per month	300 per month
Utility charges (Water and electricity charges)	Nil	as per actual
Service charge, (Mess services, sanitation services, supporting staff)	Nil	1,700 per month
Refundable mess (Security)	5,500	12,000

Source: https://www.bbc.com/hindi/india-50469921

We reached out to students of JNU and spoke to them regarding the fee hike. A student remarked- *"We cannot let this happen, if we let this go then there is no coming back"*. We witnessed the students protest march where in they went to each centre and shouted slogans and did not permit entry to teachers or students at that time. They were making posters informing others of the proposed fee hike and what it means. Added to the issue of fee hike especially in hostels, there was another point of contention that of dress codes in hostels. We also spoke to teachers about the student protests. A student who was shouting slogans said, *"There are many in my class who cannot afford these fees, and that is what the Government wants. They want to change the character of JNU and we will not let it happen"*

Subsequently many editorials and articles were written by professors and students alike on how their life and life experience changed after studying and teaching at JNU. This was because it gave equal opportunity to the poorest to study. Both the professors – one retired and one associate were in favour of the students protest. A retired professor looking at the students going from centre to centre said, *"This is JNU culture- people don't understand it. They think if a student is involved in a protest s/he won't study. But that's not true. This has been JNU culture from the 70's when we were students here. You will see that the same students who are marching now will go and study in the library in a little while."* Another professor said *"the students were being pushed to the wall and there was no way of this but to protest. The teachers we spoke to were not complaining rather were sympathetic to the cause of the students."*

With the Vice Chancellor of JNU ignoring the genuine demands of the students, the students staged a protest in front of the MHRD and after many days of struggle a 50% roll back was announced. But the students are still fighting as they think that this roll back is not sufficient. As mentioned in introductory section, the protest against fee hike has taken a turn for the worse with teachers and students, who have been speaking out against the fee hike and other positions taken by the administration, being attacked by students belonging to right-wing political outfits. The students union has issued a long letter stating that they will continue to protest against the fee hike, fund cut, seat cut and the revised entrance exam rules. The JNU Teachers Association has written in to the President – Ram Nath Kovind stating that the very fact that the administration has chosen to target those who were protesting against the fee hike – "lets the cat out of the bag".

Table 2 shows the revised fee structure.

Apart from the tuition fees when hostel fees are increased it becomes a huge problem for those who cannot afford to take up accommodation outside especially in metro cities. This further acts a deterrent for not only the students who are struggling with finances but also women whose families are not ready to let them stay on their own. Kanupriya, a student leader of Punjab University asked, "Is education a commodity like onion that it should become expensive?"

As mentioned earlier not only JNU but several other universities across the country are being subjected to fee hikes.

In November 2012, the IIT council recommended an 80% hike in undergraduate courses, which would amount to Rs 90,000 per year. It came into effect in 2013. The HRD ministry justified the increase by citing that the expenditure on every student is around

Table 2: JNU Revised Fee Hike		
	Revised for all, including BPL with scholarship	For BPL Category without scholarship
Mess bill	as per actual	as per actual
Establishment charges	1,100 per semester	1,100 per semester
Crockery, Utensils	250 per year	250 per year
Newspaper	50 per year	50 per year
Room rent (single)	600 per month	300 per month
Room rent (double)	300 per month	150 per month
Utility charges (Water and electricity charges)	as per actual	50% as per actual
Service charge, (Sanitation services, supporting staff)	as per actual	50% as per actual
Refundable mess (Security)	dropped down to 5,500	dropped down to 5,500

2.25 lakhs. The government quoted the Anil Kakodar report which wanted the IITs to become financially independent. The only exception was the fee waivers given to scheduled and scheduled tribe students and disabled students. Keeping in line with this in 2016 the fees of M Tech in IIT was increased from 90,000 to 2 lakh. The ministry announced a fee differently abled, SC and ST and families with lower income.

The NITs saw a similar fee hike after a proposal was sent by the NIT council. The fees increased from Rs 70,000 to Rs 1.25 lakh per annum. There were protests against the rise. A student from NIT Patna said that the withdrawing of scholarship had caused anger in the community. The boy stated that he received scholarship for two years but not the final year. As a result students who are unable to afford the fees once the scholarship has been withdrawn are forced to drop out. On the other hand the fee has also increased from Rs 73,000 to Rs 120,000 per year from 2016. What has made life difficult for students is that under the national scholarship scheme, resulting in additional paper work and administrative procedures. The scholarship has been reduced to half and students have to run from one office to another.

Similar concerns of scholarship amounts being reduced to half were voiced by students (SC/ST/OBC) of Nilamber Pitamber University in Jharkhand. In addition to this he is subjected to demand for bribes and also humiliated.

Our interviews in NIT Warangal added a different dimension. A student said, *"They mentioned that we will provide fee waiver for SC/ST student as like other NITs I didn't pay the fee as per their instruction. Later when I am collecting no dues they asked me to pay the fee they stopped my consolidated grade reports"*

If the SC/ST waiver is not honoured by NIT then it would mean that many more students will be forced to drop out and also prove to be a deterrent for many to seek higher education.

The reader will observe that out of the 31 Universities included on the study, only two have not seen any fee hike- Periyar University in Tamil Nadu and Jadavpur University in West Bengal. This is a harbinger of things to come how students and their families have to face the brunt of increasing cost of education. In the following section we will see more examples and details of fee hike taking place in several universities.

Savitribai Phule Pune University saw a substantial rise on the course fees of Masters in Social Work. The hostel fee has also increased by a substantial amount. Students of Mahatma Gandhi Antarashtriya Hindi Viswa Vidyalaya protested against a fee hike in 2015. Most of the students of MGAMVV belong to the SC/ST/OBC categories and hence a fee hike would mean drop outs. Similarly in Lucknow University there has been a regular fee hike since 2005 and it was even more problematic for students as the fee was raised during the course. Students pursuing the MBA course were asked to pay Rs 45000 more as the fee had increased to Rs 75,000 for the students. They were paying Rs 30,000 in the earlier semesters. Fees of some courses which were earlier Rs.1400 is now Rs 36,000 and other courses have seen a rise from Rs 1260 to Rs 24,000. (Sengupta: 2017)

The current government is more inclined to universities raising their own funds rather than being funded by the government. JNU is one such example and so is Jamia Milia Islamia (JMI). In 2016 and 2017, fee hikes were proposed. Both the times the fee hike was rolled back due to student protests. The reasons cited for the increase refers to the MHRD's expectation that university should mobilize resource internally. In 2019, hostel fees were hiked by Rs 1300, apart from the nominal increase made every semester. The students were successful getting the decision of fee hike rolled back.

TISS is another example of an institute which has been asked to raise its own funds. TISS started in Mumbai has now has campuses in Guwahati (2012) and Hyderabad (2013) and has got new affiliated centres in Patna and Tuljapur also. The 180 ad hoc faculty are funded by private agencies like TATA trust and no reservation has been implemented during recruitment. Since 2013, TISS is being asked to fund itself, and raise 30% of its

own expense. This forced the institute to hike its fee by 46% and in some cases upto 100%. Fees went up to Rs 61000 for OBC students per year and the SC/ ST students will also pay Rs 60,000. The repercussions are already there to see – the OBC student community is seeing an increasing dropout rate, the SC/ST may soon follow.

The students of Presidency College in West Bengal also met with success when the counselling fees were increased to Rs 500 and then brought down to Rs 100 following protests by students. In 2019, Viswa Bharati students spoke up when the fees for general students was doubled and that of SAARC students increased by 10 times. Overall the fees was increased by 20%-30%.In 2016, Calicut University too there were protests as the fees for examination related services were increased by 20%. The protests led the University to rethink and the university decided to roll back the fees.

All India Students Federation opposed fee hike in engineering courses and law courses in Osmania University and Hyderabad University saying that the norms of the Telangana Admission and Fee Regulatory Committee (TFRC) have not been followed. The TFRC is also in charge of fixing fees for the unaided professional colleges in Telangana for 2019-2022.

Indian Institutes of Science Education and Research (IISER) too have been subjected to fee hikes since 2016 by the MHRD. The MHRD minister said that the fees of IISER are very low and need to be increased progressively. In May 2017, a council represented by the IIT and IISER chaired by HRD minister Javadekar decided that the fee hike should 10% every year The fees were increased from Rs 2500 to Rs 3500 in 2016. The fee for PhD was increased from Rs 700 to Rs 2400, against which the students protested. A fee revision example in IISER is: Rs 7000 to Rs 14,000 six months ago, now which has again increased to Rs 24,000.

In Delhi – several colleges under the Delhi University has seen a steep fee hike. Among other Universities which have raised fees and witnessed protests are IIMC (Indian Institute of Mass Communication), In December 2019, Indian Institute of Mass Communication students protested recently against the unaffordable fee hike and administration's turning a blind eye to the problems that students would face. English journalism would cost Rs.168500 for a 10 month course beside the mess dues, which is unaffordable. Hostel and mess fees are around Rs.4800 for men and Rs.6500 for women. Ambedkar University too has been in the news. There were protests against the alleged 10% fee hike in Ambedkar University that takes place every new batch. The administration of the university denied the claim.

Not all fee hikes have met with protests. In NEHU a fee was revised for all the courses and published in 2018. This is the official notification in the university website. Bangalore University syndicate approved the increase of fees of its affiliated colleges in order to manage the revenue crunch. A fee hike of 5% to 10% in all categories was announced. The fund crunch happened mostly due to the trifurcation of the university. Two new universities were formed from the parent university. Even Open universities cater mostly to the unprivileged sections have also seen a fee hike. A total of 163 courses in IGNOU will see a fee hike by 10- 20 %. This again has been due to the reduction in fund for the central varsities. In Himachal Pradesh University courses like B.ED degree course compelled to spend Rs.16000 more, from Rs.84, 870 to Rs 98000 in 2019-2021. Besides tuition fee there is an extra 10,000 charged. An additional charge of 7% will be levied on the current fee which would amount to Rs 5880.

It is clear from the examples shared in this section that almost every government funded university and institute is headed for a fee hike. What are the implications of a fee hike for the students and the nation? We will examine this is in the next section.

Implication of Fee Hike - Reduced Access to Higher Education

The mushrooming of private institutions is an indication of how 'lucrative' education is as a business model. If we go back to the Sargent Report which we discussed in the very beginning – one of the recommendations given by it was that the Government role and expenditure on education should increase with time. Unfortunately, with the progress of time, the Government is slowly withdrawing from the field of education. This is evident from the share allocated to education in the budget- a mere 3.7%. The CAG report of February 2019 states that Rs 94,036 crore of the secondary and higher education cess and Rs 7,298 crore of the research and development cess remained unutilised.

It is indeed problematic when a Government decides that it is not responsible for education of its youth. After independence several educational institutes were set up to shape the minds of young men and women. The youth was seen as crucial in nation building and education was the first step towards that. For example, see what a more recent institute set up by the government has to say. The IISER website says, "An overarching goal of the IISERs is to enable students to shape the nation by inventing and implementing sustainable solutions for societal problems through research in science." Yet, we found that most of the dropouts from higher education institutions belong to the disadvantaged groups –SC/ST. The government aided technical institutions which gave a fee waiver or had low fees were essential for students from economically and socially deprived groups. Education at these institutions can ensure social mobility for the families. In contrast the fee hikes push them back into the poverty cycle.

Here is the dichotomy that is presented when we look at education as merely 'utilitarian' versus something that shapes your mind and life beyond textbooks and jobs- it is a step towards equality, dignity and diversity. The testimonials that came out when the JNU fee hike was announced spoke of children of vegetable sellers, manual scavengers and poor farmers getting an opportunity to study and without any discrimination by teachers or students. These children went on to become teachers, administrative officers and professionals thereby changing the lives of their families for ever. Fee hikes will change all this – the high enrolment in higher education will be replaced by dropout or worse still close it for the poor and perhaps affect even women. Families hesitant to spend on education of girls will refuse to do so in the face of exorbitant fees thus reducing the chances of women pursuing higher education.

Instead of 'investing' in the youth and ensuring that the vision of education for all dreamed of by our freedom fighters during independence, the State is withdrawing its support to public universities which give a chance to people across class, caste and region to study. Public universities have provided thousands of young people from varied backgrounds to access education and an opportunity to a life of equality and dignity. If education becomes inaccessible to the youth today we cannot hope to build a healthy democratic nation. We will regress to the times when education was for a select few –widening the gap between have and have not's and creating a feudal, elitist society which is against the Constitutional values of our nation and the dream of our social reformers who fought for equality through education.

Conclusion

Be it the fee hike protests or anti CAA /NRC protests - what the ongoing protests have shown is that the student community in India and across the globe is not a passive one. Violence and repression by the state on the student community has been met by condemnation and solidarity by students and teachers alike from Universities in India and abroad. Much like the students in South Korea, Indonesia in the past who spoke up against a repressive government, the students in India today are speaking up against the Government on both national and university level issues. Altbach one of the leading scholars on student activism writes, "Without stress on family or caste, the university provided at least a partial model of what a modern society could be like." (1970: 75). It is certainly true that students have been a major force in the national development of many important Asian nations, and are still a source of political power in their societies"(1970:84). In his analysis of the student movements and protests across the globe, Altbach writes that the 1960s saw the students speaking up against the Vietnam War, the 1970s saw a decline of student activism in the West. Asia on the other hand witnessed resurgence of student activism as a response to the dictatorial Governments in power in the region. The students of India have risen up against attempts of the government to deny them the right to affordable education and freedom of thought and expression and the right to dissent.
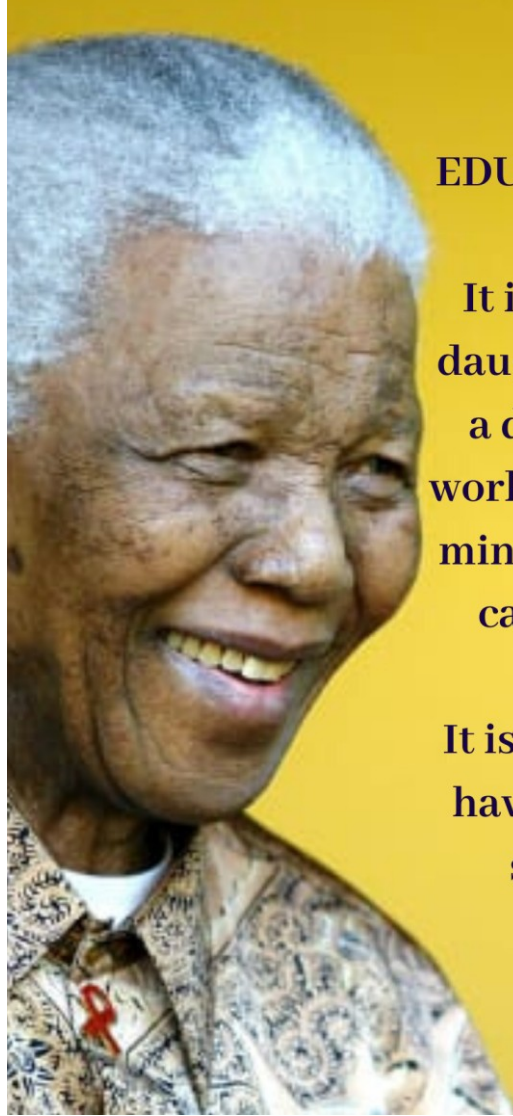
EDUCATION is the great engine of personal development.
It is through education that the daughter of a peasant can become a doctor, that the son of a mine worker can become the head of the mine, that a child of farm workers can become the president of a great nation.
It is what we make out of what we have, not what we are given, that separates one person from another.
~Nelson Mandela

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Ambani- Birla Report:
Summary of Recommendations

1   **Primary and Secondary education:** Make primary education compulsory and free. Primary education must be on top of the education agenda. Secondary education must be compulsory as well. There is no getting away from enforcing the Constitutional commitment to compulsory education for children up to the age of fourteen years.

2   **Teaching:** Bring about regulations for continuous teacher training and quality upgradation.

3   **Technology:** Leverage our vast and growing resources in information technology to bring about smart schools that integrate computers, networks and content.

4   **Sensory Learning:** Migrate from teaching to sensory learning in pre-schools and in primary education order to provoke curiosity. The accent must be on fostering creative joy and healthy psychological development.

5   **Learning to Learn:** Emphasise learning through practices and experiences. Transform teacher's role to one of a facilitator.

6   **Vocational Education:** Introduce compulsory vocational training in an intensive manner from the secondary level onwards.

7   **Distance Education:** Promote distance education as an alternative system of education on par with the formal system of education.

8   **Value Systems:** Emphasise value education at pre-primary level and reinforce it in primary, secondary and higher education.

9   **Common National Content:** Introduce a common national system for educational content at the school level, after providing for regional and local variations, especially with respect to languages, history and culture.

10 **Decentralisation of Management:** Decentralise education management. Devolve to the Panchayat level financing and management of education at the primary and secondary level as well as literacy programmes.

11 **Common Admission Tests:** Institute a common system for admissions to professional courses based on national standardised tests on the lines of SAT, GRE and GMAT. Concurrently, abolish the system of migration

certificates and allow students to move from one institution to another based on a system of transfer of professional credits.

12 **Market Oriented Education:** Encourage schools of learning to constantly upgrade content and facilities to make them more market oriented.

13 **Education Infrastructure - Hardware:** Fund infrastructure for government schools, buildings, telecom networks, and computers on a priority basis. Progressively reduce the funding for universities and make them adopt the route of self-sufficiency, to achieve this.

14 **Education Infrastructure - Content Development:** Continuously reflect latest advances in content development. Utilise evolving tools and techniques for developing content that is contemporary.

15 **Government Role:** Confine the responsibility of the Government to:

- funding and ensuring that primary education is compulsory and free,
- funding and ensuring that secondary education is compulsory,
- funding and bringing about 100% literacy,
- supporting disciplines that have no market orientation,
- selectively supporting and part funding centres of higher learning,
- providing financial guarantees for student loans,
- ensuring uniformity in content and quality, and
- education development planning.

16 **Government Controls:** Give institutions not depending on government for funding or having low levels of funding to have operational freedom and flexibility to innovate.

17 **Private Universities:** Legislate a Private University Bill to encourage establishment of new private universities in the fields of science and technology, management and finance areas.

18 **Rating System:** Institutionalise a system for periodical rating of all educational institutions in India schools, colleges, institutions and universities- by independent agencies analogous to a Standard and Poors or CRISIL in the financial sector.

19 **Foreign Direct Investment:** Allow foreign direct investment in education. To begin with, limit this to science and technology areas.

20 **Financing:** Establish an education development fund for primary and literacy education. Exempt donations to this fund from income tax. Concurrently, develop a credit market for higher education to finance the cost of education.

21 **Marketing Indian Education Abroad:** Encourage Indian institutions and universities to attract overseas students. Initially, establish international schools in all our existing centres of excellence, which have international reputation.

22 **Politicisation:** Enable all political parties come to an understanding that they will keep away from universities and educational institutions. Ban any form of political activity on campuses of universities and educational institutions.

23 **Education and Economic Freedom:** Keep the economy free from controls to foster new opportunities that creates a market for education.

24 **Research in Education:** Encourage research right from undergraduate level in all fields.

25 **Physical Education/ Extra-curricular activities:** Encourage sports activities by providing the necessary infrastructure from the primary school level. Encourage extra-curricular activities at the primary and secondary levels by setting aside one day per week (preferably Saturdays) for this activity.

26 **Upgrade RECs/ ITI s:** Upgrade the curriculum, infrastructure and facilities in the RECs and Industrial Training Institutes to meet the envisaged higher demand for skilled technical manpower. Provide higher autonomy and freedom to these institutes.

27 **Trained Teachers:** Make trained teachers serve for a specified period in the rural areas as part of their development.

28 **Alternative Education Opportunities:** Introduce a variety of programs to provide alternative education opportunities for working and underprivileged children such as flexible schedules

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Painting the Rainbow Brown - the Global Arc of Populism?

Somnath Ghosh*

Abstract

With populism spreading to many countries across the globe, the emergent discussion on the spreading arc of populism has become more nuanced. No longer is populism seen merely as an anti-elite, anti-establishment political approach aimed to appeal to ordinary people for electoral purposes; it has other dimensions, some having far reaching consequences. There is however no one pattern, and it is possible to discern various facets across countries. But the complexities and variations are unlikely to be appreciated, unless we first transit from the frame of description of events to an understanding of the ideological underpinnings of populism. This paper therefore attempts to do that. Then it provides a quick view of populism in Latin America, United States and Europe, highlighting its various facets, and in the process it attempts to develops a taxonomy of populism on the basis of its severity. Finally, some of the counter-responses to populism are examined along with their limitations. The article is deliberately quiet about the implications for India.

Introduction

While much has been written on populism, a single piece that stitches together various perspectives is lacking. Another constraint is the absence of an analytical framework that not only posits how the different strands of populism emerge (such as ideology, socio-economic and political developments, and grassroots work of organizing parties), but also the role of state machinery, and how certain strands of populism can have long-term deleterious impact on society. So, we trace the development of discourse surrounding populism. In the process, we would glimpse the facets of various strands of populism in Latin America, United States, and Europe.

As right-wing populism sweeps the world, it is important to understand both the dynamics as well the challenges. But why right-wing populism is dangerous to the world is best understood when it is juxtaposed with other shades of populism. It would also provide the backdrop against which other strands of populism can be juxtaposed, throwing in sharp relief the belief systems and practices of populists of various hues. The world view and practices of populists have a strong impact on society. Since right-wing populism is on the rise across the globe, a major concern would be to explore modalities by which the more egregious effects can be countered.

* Prof Somnath Ghosh, Senior Visiting Fellow, RGICS

Early understanding of populism

The initial understanding of populism was that of a political approach whose objective was to appeal to ordinary people who felt that their concerns were disregarded by established elite groups. As historian Michael Kazin (1998) had put it, populism is "a language" that (irony of ironies) the often wealthy politicians who claim to speak for the subaltern use to organize them against elites who are describes as "self-serving and undemocratic".

A typical example was to appeal to a broad cross-section of subaltern population on issues like inequity, rising employment, poverty and poor governance not because these cannot be redressed but because the ruling elite was simply not bothered. So, anti-elitism and anti-establishment were the cardinal traits of the populist. While the populist did "establish" the linkage of deprivation and neglect of the masses with the elites and ruling establishment, the populist's focus was more on the need to replace the regime rather than on the details, merits, and viability of alternative programmes. Actually, in most cases, the populist was rather vague even on the contours of policies and schemes that would bring about the desired changes.

Even in its most benign form, populism painted the elite as hopeless and untrustworthy, fit only to be replaced. This they did by portraying the ruling elites as not just as a class that favoured itself but being far removed from the lives of common people. Since the ruling elites were not connected, they didn't understand, nor did they care. As an extension, the argument went, those who brought about the misfortune to the subaltern masses couldn't be trusted anymore. But in this discourse on populism, it did not matter whether the populist was a rightist or leftist.

More nuanced approaches

The abandoned majority

A major shift in the discourse on populism was introduced by John B. Judis (2016) in his slim volume, The Populist Explosion. Judis offers a unified theory of populism to the present day, when stagnant wages, corporate desertions and widespread fear of being cast adrift in the global economy brought Bernie Sanders and Donald Trump together in their contempt for trade deals. But he is eager to distinguish the left-wing economic populism of Sanders with the right-wing cultural populism of Trump where he pits his "silent majority" (a term coined by Richard Nixon) who experience a "feeling of dispossession", especially in times of great change, against the "good for nothing Democrats".

Judis points out that this right-wing cultural populism is not unique to Trump; as is with the anti-elite Podemos Party of Spain which champions "the people" against the 1 per cent. The right-wing cultural populism becomes strident with Danish People's Party's anti-Muslim stance. A further difference according to Judis between the left-wing economic populism and right-wing cultural populism is that the latter accuse the elite of coddling an ever-shifting third group – immigrants, blacks, terrorists, welfare recipients or all of the above. This demagoguing of the scapegoat gives right-wing populism its current potency, especially in Europe, which is facing more severe economic, immigration and terrorism problems than the United States. But as we will see in a later section, quite often left-wing economic populism curdled into right-wing racist populism.

Rejection of Pluralism and the Emergence of Exclusivity

Published around the same time in 2016, it is Jan-Werner Müller's What is Populism? that has taken the discourse on populism to a different level. First, while he acknowledges anti-elitism to be a dominant characteristic of populism, he is quick to point out that "not everyone who criticizes elites is automatically a populist. He adds two more salient characteristics to the definition of populism: anti-pluralism, and exclusivity. It is precisely these characteristics that make populism anti-liberal and anti-democratic—the permanent shadow of representative politics. Müller argues that at populism's core is a rejection of pluralism. Populists will always claim that they and they alone represent the people and their true interests.

In Turkey, President Erdogan asked his critics, "We are the people. Who are you?" By so doing, populists can dismiss their opponents as being "enemies of the people", a dangerously authoritarian ploy. According to Müller, such exclusivity which is at the heart of pluralism threatens the very basis of democracy.When populists claim that they and they alone represent "the real people" or "the silent majority", they actually denounce all their contenders for power as fundamentally illegitimate. At stake is never just a disagreement about policy or even values, for that matter – which is of course completely normal (and, ideally, productive) in a democracy; rather, populists immediately personalize and mobilize political conflict: the others, they insist, are simply "corrupt" and "crooked".

They allegedly do not work for "the people", but only for themselves (i.e. the establishment), or multinational corporations, or the EU, or what have you). Less obvious is that populists insinuate that all citizens who do not share their conception of "the people" and hence, logically, do not support the populists, should have their status as belonging to the people put into doubt. So the crucial indicator of populism is the

populists' anti-pluralism. Put differently: populism inevitably involves a claim to a moral monopoly of representing the supposedly real people – and also inevitably results in exclusionary identity politics.

Colonization of Power

Further, Müller holds that the notion that populists in power are bound one way or the other – or that they will necessarily moderate – while it is comforting, is also an illusion. All failures of populists in government can still be blamed on elites working behind the scenes, whether at home or abroad. Here again we find the not so accidental connection between populism and conspiracy theories. Many populist victors continue to behave like victims; majorities act like mistreated minorities. Turkish President Erdogan would present himself as a plucky underdog; he'd forever be the street fighter from Istanbul's tough neighborhood Kasimpasa, bravely confronting the old, Kemalist establishment of the Turkish republic – long after he had begun to concentrate all political, economic, and not least, cultural power in his own hands.

Such strategies to consolidate or even perpetuate power are not exclusive to populists, of course. What is special about populists is that they can undertake such state colonization openly: why, populists can ask indignantly, should the people not take possession of their state through their only rightful representatives? Why should those who conduct the genuine popular will in the name of civil service neutrality not be purged?

Populists also engage in the exchange of material and immaterial favors for mass support – what political scientists often call "mass clientelism". Again such conduct is not exclusive to populists. What – once more – makes populists distinctive is that they can engage in such practices openly and with moral justifications: after all, for them, only some people are really the people and hence deserving of the support by what is rightfully their state. Without this thought it's hard to understand how Erdogan could have politically survived all the revelations about his regime's corruption, which had started to come out in 2013. Some populists have been lucky to have the resources to build up entire classes to support their regimes. Chavez benefited crucially from the oil boom. For regimes in Central and Eastern Europe, funds from the European Union have been equivalent oil for some Arab authoritarian states: governments can strategically employ the subsidies to buy support or at least keep citizens quiet. What's more, they can form social strata that conform to their image of the "real" people – and that are deeply loyal to the regime. Erdogan continues to enjoy the unshakeable support of an Anatolian middle class that emerged with the economic boom under his AK Party and that also embodies the image of the ideal, devout Turk, as opposed to Westernized, secular elites, and as opposed to minorities such as the Kurds.

Democracy as a false narrative

Müller's next argument paints a more worrisome picture. When populists have sufficiently large majorities in parliament, they try to build regimes that might still look like democracies, but are actually designed to perpetuate the power of the populists. To start with, populists colonize or "occupy" the state and refers to Hungary and Poland as recent examples. One of the first changes Obran and his party Fidesz sought after coming to power in 2010 was a transformation of the civil service law, so as to enable them to place loyalists in what should have been non-partisan bureaucratic positions.

Both Fidesz and Jaroslav Kaczynski's Law and Justice Party (PiS) also immediately moved against the independence of courts. Media authorities were captured; the signal went out that journalists should not report in ways that violate the interests of the nation (which were equated with the interests of the governing party). Whoever criticized any of these measures was vilified as doing the bidding of the old elites, or as being outright traitors. Kaczynski spoke of "Poles of the worst sort" who supposedly have "treason in their genes". The end result is that political parties create a state to their own political liking, and in their own political image: a PiS state and a Fidesz state.

Enfeebling Civil Society

There is one further element of populist statecraft – or what one might even call a populist art of governance – that is important to understand. Populists in power tend to be harsh (to say the least) with non-governmental organizations that criticize them. Again, harassing civil society is not a practice exclusive to populists. But for them opposition from within civil society creates a particular symbolic challenge: it potentially undermines their claim to exclusive moral representation. Hence it becomes crucial to argue (and supposedly "prove") that civil society is not civil at all, and that what can seem like popular opposition on the streets has nothing to do with the real people. This explains why Putin, Obran and PiS in Poland have gone out of the way to try to discredit NGOs as being controlled by outside powers (and also legally declare them to be "foreign agents" – or tweet about them as "paid-up activists", as Trump did when millions came out against his proposed "Muslim travel ban".

Delegitimizing Protest

If nothing else, populists have used protest to prolong and deepen the culture wars on which all populists thrive: they point to a minority of protesters that is allegedly not part of the real people – in fact, the protesters are betraying the homeland, according to the populists – and reassure their own supporters that they are the real, righteous people.

When they are unable to stop people from going out on the streets to protest, sophisticated populists then start incorporating protest into their own narratives to justify their exclusionary identity politics.

Populist as Representative of Popular Will

There's another dimension to populists. Instead of claiming to show the direction in which the nation should move - as most politicians do – the populist, by contrast, will assume that he and only he knows the true voice of the people and that there is only one direction in which to go. This is not offering the people different visions of different principles on the basis of which they might live together in the future; rather, it is pretending that the people have always already spoken and that the populist is actually just following their lead.

Shrinking Space for Public Debate

If erosion of justice is a central feature of the darker side of populism, the significance of public debate comes centre stage. But according to political theorist Hannah Arendt, totalitarianism seeks to diminish public debate by making it a criminal act to criticize the regime. Throughout her writings Arendt defended the importance of public debate and what could happen in its absence: the substitution of a fabricated reality based on a leader's vision, accepted by seemingly well-intentioned citizens.

Without public debate, the ruling regime is free to construct a false narrative about "reality," perpetuate that narrative, and maintain power because there is nothing to compete with it. Sharing our perspectives with others is done in the public space, which must be preserved if democratic politics is to remain a viable possibility. This public space was destroyed under totalitarian regimes in the twentieth century.

The Rising Arc of Populism

For our purposes, it might be useful to narrate the populist experiences bringing out the various facets in a stratified manner. Going by levels of severity, four categories may be identified. For purpose of easy identification, we shall label them ranging from Populism 1.0 to Populism 4.0

Populism 1.0

In its most elementary form – anti-elitism and anti-establishment; but where anti-pluralism, exclusivity and illiberalism are largely missing – we have the case of Bolivia under Evo Morales who served as President from 2006 until recently when he fled to Mexico on November 12, 2019 as hundreds of thousands of protesters hit the streets on revelations that he had tried to "steal" his country's presidential elections. But in 2006, Morales made history as Bolivia's first indigenous President. The country's voters, fed up with chronic inequality and a political elite almost entirely of European descent, opted instead for a farmer and union leader who looked and sounded like the country's majority.

Morales rewarded their confidence with a remarkable accomplishment: he used a global commodities boom to boost economic growth and used the gains to narrow Bolivia's gap between rich and poor, in part by nationalizing some energy companies and directing revenue from gas, metals and soybean meal to social-welfare programs and regional authorities. These programs helped Morales win re-election twice. Earlier, Venezuela under the early rule of Chavez would come to mind as another example in this category.

In the second basket would fall many nations of Europe. The context has been a faltering economy, stagnant wages, rise in unemployment and immigration, though Michael Broning (2016) attributed "two core issues (that) lie at the root of today's rising populism: challenge of migration and the lingering euro crisis." This has made many left of centre and centrist parties move slightly to the right in order to respond to the electorate's frustration, with Broning noting "European electorates refuse to authorize any further transfer of sovereignty to Brussels... The European Union's compromise machine is perceived as an institutionalized grand coalition between the centre-left and the centre-right that routinely ignores opposing voices."
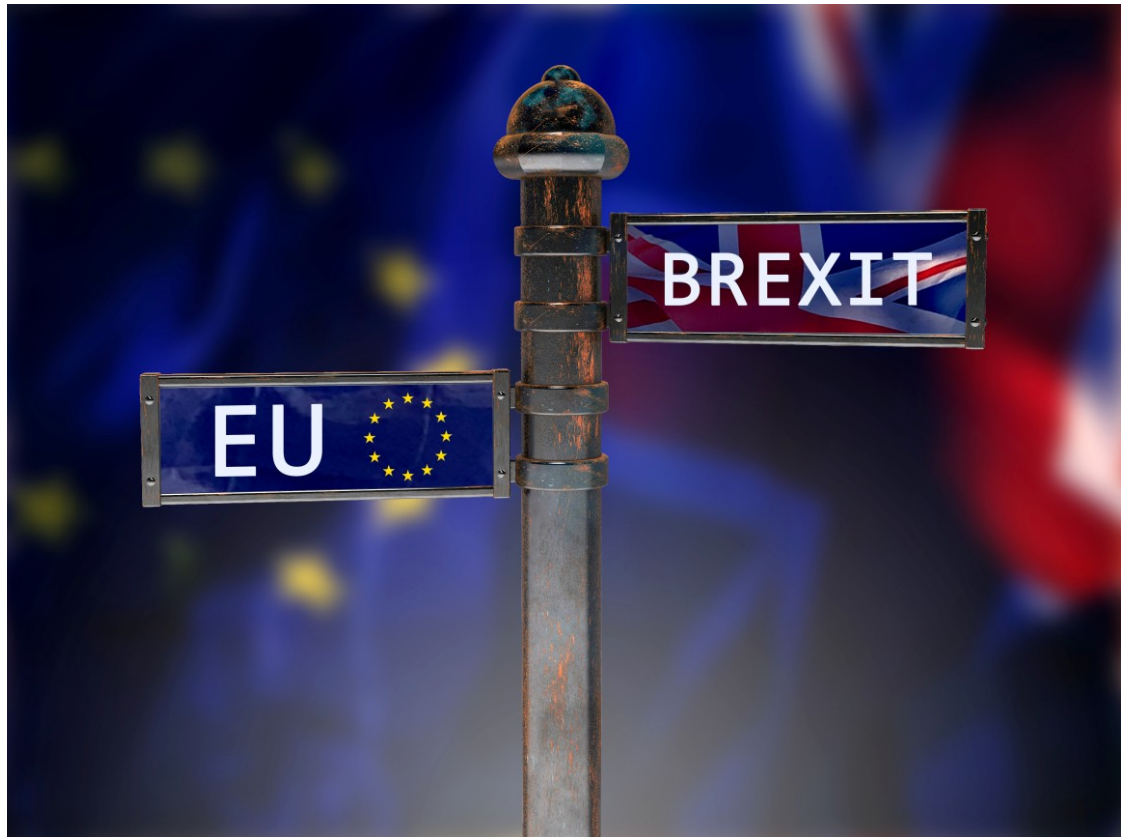
The responses have been varied. United Kingdom voted Brexit; while Chancellor Angela Merkel has shifted her conservative Christian Democratic Union to the left: her welcoming stance on refugees, abolishment of compulsory military drafting, forgoing nuclear energy altogether, and introducing new rules on German citizenship, allowing children of non-German parents to keep two passports. All these constitute a comprehensive reinvention of German conservatives. But the rise of the far-right Alternative for Germany (AFD) has been on the opposition to the very four policy interventions of Chancellor Merkel: reversal of double citizenship, a lifetime extension of nuclear power plants, reintroduction of military draft, and end to a welcoming approach towards refugees.

On the other hand, France under Macron, has exhibited the not unusual tendency to turn towards far right on some key emotive issues. During his 2017 presidential campaign, Macron had heaped praise on Chancellor Angela Merkel for the open door policy of taking in over a million refugees, saying it had "saved our collective dignity". But less than

two years later in September 2019, as he enters the second lap of his five-year presidency, Macron ratcheted up his rhetoric on immigration, warning that France must not be too "attractive" for illegal migrants and "cannot host everyone".

The story of French populism wouldn't be complete until reference is made to another emotive aspect that has been targeted by far-right populist leader, Le Pen of National Front. While the old European right has been generally anti-Semitic, but with rising attack by Muslims on Jews especially in Belgium and France, anti-immigrant populists have redefined Jews as exemplary victims of Islam. Roger Brubaker reports that while addressing French Jews in a 2014 interview, Le Pen argued that her party was "without doubt the best shield to protect you against the one true enemy, Islamic fundamentalism."

In contrast, Austria's case is an interesting case of centrist party's innovative populist response to the rise of far-right populist party. As Austria's October 2017 elections approached, polls indicated that the populist far-right Freedom Party of Austria (FPO) was on track of becoming the country's strongest political force. The centre-right Austrian People Party (OVP) under the then 31-year-old Sebastian Kurz changed tack and "embraced the anti-immigration, anti-Islam, and tough law and order stance of FPO in the run-up to the elections... Kurz's "populism lite" not only helped him gain voters who previously cast their ballot for FPO as well as for two other far-right, populist parties, but also managed to attract votes from Green Party supporters, (and several others)". (Gady: 2018).

Populism 3.0

The third face of populism is more aggressive. This is in line with what has been discussed under the earlier caption of Rejection of Pluralism and the emergence of Exclusivity. In What is Populism? Müller refers to Farage who had claimed, during the night of the fateful referendum, that Brexit had been a "victory for real people," by which he implied that the 48 per cent who voted to stay in the EU might not be quite real – which is to say: not part of the real British people at all. Or think of Trump announcing at a campaign rally: "The most important thing is the unification of the people – because the other people don't mean anything." In other words, the populist decides who the real people are, and whoever does not want to be unified on the populist's terms is completely and utterly excluded – even if they happen to have a British or an American passport.

Populism 4.0

The fourth type of populism is cultural populism, coming in the garb of culture and an inverted definition of secularism, but there is nothing benign in this approach. Actually, it is quite sinister. The illiberal and exclusionary strands operate under the rubric of majoritarianism that excludes a "particular other" while embracing certain others. Once again, northern and western Europe come to mind. When the French or Dutch populist invokes Christian identity, it has less to do with religiosity and more to do with civilizational aspects. But two apparently dichotomous strands run parallel.

Western civilization is projected as secular which de-stresses differences of gender, religion, ethnicity, and life style – but so long it is seen within the larger rubric of western civilization. Now, this is where Huntington's clash of civilization comes into play: the roots lie Christianity. Throughout northern and western Europe, anti-immigrant populists have positioned themselves as defenders of a Judeo-Christian European civilization rather

than their own national cultures. Though few Christians in Europe go to church other than for occasions related to "hatched, matched and dispatched", Le Penn has emphasized the "Christian roots" of France, and in Austria, Hofer included the words "so help me God" on his campaign posters (Brubaker: 2017).

How do the above contradictions of secularism and stress on Christianity play out? For the cultural pluralist, that's no issue, as "both derive from a preoccupation of Islam... it targets the symbols, arguments and practices of Muslims. In France for instance, secularism has been used to justify bans on pork-free menu options in public schools, the ritual slaughter of animals without prior stunning, and the provision of halal food in public institutions. Populist secularism has also informed the passing of restrictions on Muslim women's clothing, including the bans on burkinis introduced by some French localities in 2016 and those on full-face veils enacted in Austria, Belgium, and France.

"In short, such populists use the secularism flag in order to "push Islam out of public sphere while delegitimizing Christian arguments for compassion toward migrants and refugees". There is always a method to a crowd gathering and singing loudly the national song of France – along with the national flag – to drown out the Muslims who gather at precise hours to offer prayers on streets. It is but one step short of demonizing Islam. The irony is that secularism, long an ideology of the left, is now being claimed by the right. Now, the deeply illiberal populist right proclaims its liberalism and commitment to philo-Semitism, gender equality, and gay rights, though the older far right in Europe has been anti-Semitic.

Responses to Populism and Their Limitations

While the populace will protest, there are limits. And even when protests are long and hard, the effectiveness is doubtful. In Twitter and Tear Gas: The Power and Fragility of Networked Protest, Zeynep Tufekci offers some unique insights. Tufekci, a faculty at North Carolina and who has been a participant observer in many protest movement feels that while it is easy to organize protests today by using information technology, sustaining them is the difficult part. There are some very important reasons for this. Governments and politicians are moving from censorship, no easy task on social media, to attention-grabbing and misinformation. "Just as attention is under-appreciated as a resource for social movements, distractions and ignorance are under-appreciated as methods of repression through denial of attention," she writes. Sowing cynicism is a powerful tool against protest.

Even as the established political order gets more more sophisticated in sowing and confusion, and has also the resources to tire out the protesters, the latter operate under some internal constraints. The first is the inability of participating members to sustain themselves during crunch time. This has to do with the lack of training, organizing and boot camp work that grassroots political party workers gain over years of doing party work. That experience helps workers acquire skills; others face problems whem they come across obstacles that require skills they do not possess, exactly when stakes are highest. The inability to sustain these protest movements isthus due to lack of tactical inaqequacy.

Having arisen so suddenly and grown so quickly, they hit their first curve requiring agile tactical shifts at great speeds, with little or no prior experience in collective decision making and little resilience. This is what Tufekci calls "tactical freeze", the inability of

these movements to adjust tactics, negotiate demands, and push for tangible policy changes. This is something that grows out of the leaderless nature of these movements and the way digital technologies strengthen their abilities to form without much advance planning, dealing with issues only as they come up, and by people who show up ("adhocracy").

The government too has also become wiser in the use of information technology to sap, if not defeat, the movement. She says, whereas a social movement has to persuade people to act, a government or a powerful group defending the status quo only has to create enough confusion to paralyze people into inaction. Then of course, the government has the resources to mobilizing armies of supporters or paid employees who muddy the online waters with misinformation, information glut, doubt, confusion, harassment, and distraction, making it hard for ordinary people to navigate the networked public sphere, and sort facts from fiction, truth from hoaxes.

There therefore seems little choice but for various stakeholders to coalesce in an organizational form that allows for collective action. The track record in this matter indicates both success as well ineffectiveness.

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