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Foreword

The editorial board has worked hard to bring out the Annual Journal, “Prophets of Profit”. The team has strived to generate creative content from the student population and the journal features articles and research papers from students of other colleges as well. Overtime, the journal has achieved its aim of being a representative student publication. Each article and paper reflects the enthusiasm of that individual towards their topic.

The aim of the journal is to inform, engage and inspire a diverse readership. Last year, we entered the digital world through the creation of a blog. The journal hopes to flag the core issues and concerns relevant to the current age in a coherent manner and with a clear perspective. When looking at the socio-economic dimension of society, there is a vast area to explore. The well-being of the majority of the people in the country is closely tied with the macroeconomic policies. Like many other

developing nations, India has not been able to resolve the structural and systemic problems that have led to widespread poverty and unemployment. This journal aims to develop a questioning spirit among the students and hopes to encourage them to read and explore. In this period of varying challenges, the journal should enable the readers to think beyond and enhance their sense of curiosity in understanding the complexities of the world we live in.

I would like to congratulate the editorial team of “Prophets of Profit” and wish the journal success.

Namita Mathur
Advisor
Arthagya, 2017-18

Editor's Note

Merriam-Webster Dictionary's Word of the Year 2017 was *Feminism*. 2017, without a doubt, would be regarded as one of the most powerful years in the fight for women's rights.

Many women have come forward to share their experiences of sexual harassment on social media using the #MeToo hashtag. These silence breakers have started a movement of refusal to accept this behaviour. The string of breaking news stories regarding the resignations, firings, or dismissals of men who have been charged with sexual harassment or assault has kept this story in the news. Time's Up is a movement against sexual harassment that was founded on January 1, 2018 by Hollywood celebrities in response to the Weinstein effect and #MeToo. As of February 2018, it has raised \$20 million for its legal defence fund, and gathered over 200 volunteer lawyers.

Closer to home, 'Triple Talaq' was declared unconstitutional by the Supreme Court and hailed as a huge victory for gender rights. We also saw a Delhi University student, Gurmehar Kaur, face a barrage of hateful words with her sane ones. At such a young age, despite so much opposition, she held her ground.

In the very near past, we lived in a world where sexual harassment was an uncomfortable joke; an unavoidable, awkward part of being a girl or a woman. It was certainly not to be discussed, let alone addressed. In 2018, we seem to have woken up in a world ripe for change. Words are the most powerful force available to mankind. They have the power to help, to heal, to hurt, to humiliate, and to humble. Patriarchy is being dismantled through repeated introspections and attacks.

Keeping these changing times in mind, Arthagya, the Economics Association of Indraprastha College for Women, presents its annual academic journal. We have included

articles and research papers on important issues concerning women which need to be discussed such as GST on sanitary napkins, maternal healthcare, female labour force participation, etc. The aim of this journal is to encourage discourse and research on a wide range of topics concerning economics and allied social sciences and to provide a platform to everyone to put forth their views.

The current edition also comprises research papers and articles on various topics, ranging from the analysis on employees' perception of and satisfaction from the recommendations of 7th Central Pay Commission, to Supreme Court's verdict which pronounced Right to Privacy as a fundamental right.

This journal is a product of team effort of the Editorial Board of Arthagya, the Economics Association and I would like to thank each member from the bottom of my heart for working diligently throughout the year to make this journal a reality. I would also like to thank Editorial Advisor, Ms. Namita Mathur without whose constant support and guidance, this journal would not have been possible.

I hope you find this journal informative and thought provoking, and that it encourages you to engage in issues that have the power to change the society.

Neha Chauhan
Editor-in-Chief

Should GST on Sanitary Napkins Exist?

Gauri and Radhika Jajoo

3rd Year, B.A. (Hons) Economics, Indraprastha College for Women

1. Introduction

In July 2017, Government of India introduced a new taxation regime – the Goods and Services Tax, which replaced numerous federal and state taxes, with an aim to unify the country into a single market. This taxation system promised high tax revenues and a lowered level of red-tapism.

However, in a mediated democracy like India, it spurred discussion and discourse, amongst various economists, politicians, activists and other parties which were directly affected by it, with critical viewpoints being floated around.

With an increased level of awareness about menstrual hygiene and its lack thereof, the case of sanitary napkins has become particularly contentious in the context of debates around GST.

Women activists across the country have revolted against the taxation of sanitary napkins (which is currently taken to be at 12% under the GST regime). It was when a Jawaharlal Nehru University PhD scholar, *Zarmina Israr Khan*, challenged the 12%-GST on sanitary napkins, calling it unconstitutional that the GST council had to defend itself in the court of law.

Through this research paper, the authors attempt to examine the impact of this new tax structure on patterns of consumer behavior in the sanitary napkin market, amongst women belonging to different income classes.

This is done through primary data collection in the form of a structured interview and/or questionnaire. The data collected through the survey is then used to compare the current GST rate to a nil tax, to see changes in consumer behavior.

Making use of this methodology we seek to answer the question of whether more accessible and affordable sanitary napkins lead to a change in the consumers' preferences and their buying behavior. A more in-depth analysis of the same has been incorporated through a discussion about cross-price elasticity.

The next section analyses the role of basic consumer choices that affect buying decisions, which are found to be influenced by social norms, and dictated by the principle of conformism. There is a prominent need for social legitimization to break through traditional barriers and encourage safer and healthier menstrual hygiene practices.

Using secondary sources, the paper also attempts to understand the impact of GST on the quantity supplied and quality of sanitary napkins, keeping in mind the input tax credit earned through it by the producers, and the standing of local manufacturers vis-à-vis international competition when zero tax rate on sanitary napkins is imposed.

2. Literature Review

According to a report compiled in 2014¹:

- 23% girls in India drop out of schools after reaching menarche

- 88% women in India use alternatives like old fabric, rags, sand, ash newspapers, dried leaves, hay and plastic
- There has been a 70% increase in incidence of reproductive tract infections, owing to poor menstrual hygiene practices observed by women

Qualitative studies and an analysis of the product market indicate that premium commercial menstrual hygiene products are unaffordable or not consistently accessible for women and girls in low-income communities. Three international brands occupy two-thirds of the market share: Procter and Gamble (P&G), Johnson & Johnson (J&J), and Kimberly-Clark (KCC). Smaller brands like Saathi and newer entrants like Bella have leveraged the awareness created by established brands and have increased the competition by offering products at lower prices.²

The main reasons underlying use of cloth-based products are: personal preference and familiarity, lack of access to or affordability for high-quality commercial sanitary pads, and lack of sufficient information about pads. Some girls also use locally made cotton cloth.

In a study of 164 adolescent girls in rural Gujarat, 68% said their first choice was a new soft cloth (*falalin*), while 32% said sanitary pads, and none of them preferred old cloth. In extreme cases, women also use hay, ash sand, ash, wood shavings, newspapers, dried leaves, or plastic.³

However, robust research on factors that affect consumption patterns across India as well as impact on health outcomes, has not been conducted yet. Current studies in India have small, biased samples, and they rely on qualitative, self-reported, or anecdotal data making it more difficult to generalize findings across different types of adolescent populations and diverse regions

which have different cultural and socio-economic contexts.

The aim of this paper is to fill this gap and analyse factors that affect the direction of demand between cloth-based products and MHM products like sanitary napkins. Under this basic aim, we also seek to establish whether the impact of tax on prices of sanitary products can explain a significant proportion of lack of demand for the same.

3. Research Methodology

This section provides a comprehensive list of various quantitative and qualitative methods used for the purpose of research. The methodology adopted has been different to understand the demand and supply aspects in the market for sanitary napkins:

A. Methodology to assess Impact on Consumer Preferences and Behavior

For this group, we analyze the pattern of consumer choices comparing a 12% GST to a nil tax using primary sources of data via an audience-specific survey. For this purpose, a randomized sample of 200 women- 100 living in Makhanpur village area and 100 chosen through an online survey- was selected consisting of women classified into different age groups and income classes. A structured and comprehensive questionnaire was prepared which was circulated online and offline. For women, who were unable to fill the form, an oral interview, mainly qualitative in nature, was conducted to get answers. The questionnaire was

drafted using various tools like interval scales, to understand the respondents' mindset more precisely.

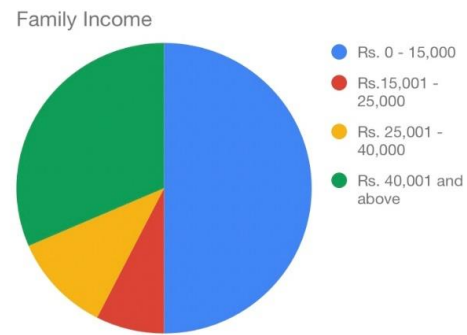
B. Methodology to assess Impact on Producer Income and Behavior

For this group, the analysis of impact on producer behavior and income while comparing a 12% GST and nil tax, was conducted using secondary data to assess the current market size of sanitary napkins in India in terms of domestic production and imports, and the official statements released by the Finance Ministry on this issue.

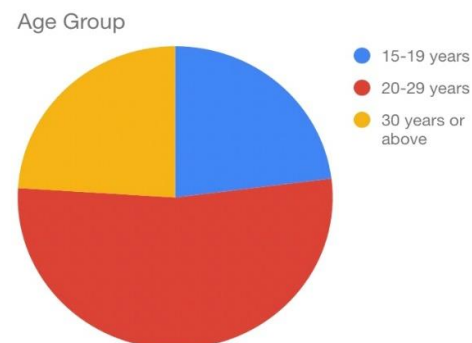
4. Understanding Consumer Preferences and Behavior

This section provides a detailed analysis of various methodologies used to seek factors that impact consumer behavior and choices. For this purpose, in the first phase of research, a survey was conducted to collect primary data, using a randomized sample of 200 women. The respondents were mainly classified on the basis of their age and family income and all the responses were recorded keeping these two factors in mind. For further understanding, cross-price elasticity between cloth and sanitary napkins has also been used

A. Survey Findings

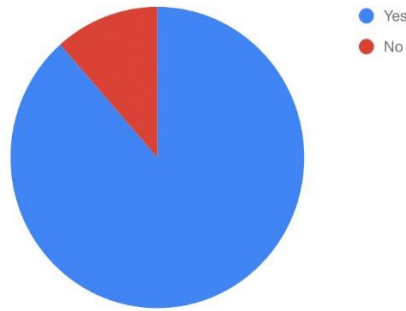


The sample size was equally divided between respondents who belong to a family with a monthly income of less than and more than Rs. 15,000. 31% of the respondents had a family income of Rs. 40,001 and above while 7% had a family income between Rs. 15,001- 25,000 and 12% had that between Rs. 25,001-40,000.



When classified in terms of age group, the sample was mostly skewed towards a young age group of 20-29 years with a **53%** share. **23%** of the respondents were in the age group of 15-19 years and another **24%** in the age group of 30 years and above.

Awareness about Sanitary Napkins

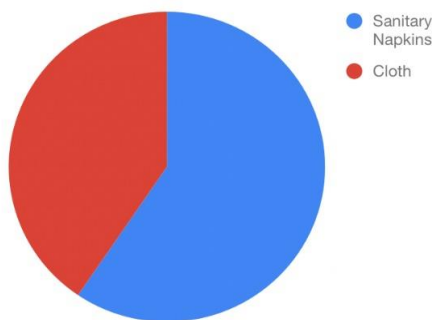


88% of the respondents were aware about the existence of Sanitary Napkins and its usage while menstruation while another **11%** refused to have any knowledge about it.

Insight:

- Controlling for age factor, of all respondents, who are not aware about the existence of sanitary napkins, **100%** of them belong to family with monthly income of less than Rs. 15,000.

Usage while menstruating



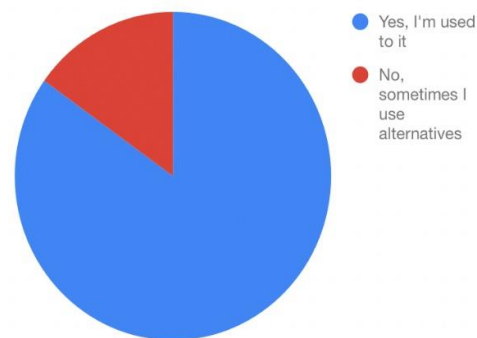
Irrespective of their awareness about sanitary napkins, only **60%** of women actually admitted to using it while the remaining **40%** mainly resorted to cloth.

Insight:

- Controlling for age, the **40%** women who use cloth, **92%** belong to a family with a monthly income of less than Rs. 15,000 and a meagre **1.2%** belonged to families with an income greater than 25,000.

- Amongst those who reported their family income to be less than Rs. 15,000 there were only **25%** users of sanitary napkins, while others resorted to cloth.
- In the above income class, a heavy concentration of sanitary napkin users was in the age group of 15-19 years with a share of **64%** followed by women in the age group of 20-29 years with a share of **32%**.
- Controlling for family income, all the women who reported usage of sanitary napkins, the heavy concentration shifted from 15-19 years to 20-29 years, with a share of **60%**.

Are Sanitary Napkins are a necessity?



For those who reported usage of sanitary napkins, it was an absolute necessity for **85%** without any substitutes, while **15%** of the respondents reported a tendency to shift to alternative means at certain times.

B. Understanding the Impact of Tax through Cross-Price Elasticity

Cross-price elasticity of demand measures the responsiveness or the change in quantity demanded of one good to the change in price of another, ceteris paribus. A positive cross-price elasticity shows that the two goods are substitutes, while a negative cross-price elasticity indicates presence of complements. Zero cross-price elasticity

highlights no relation between the goods in question.

In this section, we measure the cross-price elasticity of demand between the two goods that were most commonly used while menstruating, as per the survey - *Cloth* and *Sanitary Napkins*.

To understand this, we construct a model with the help of the qualitative findings from the survey. We take a particular family to have 3 menstruating women, on an average. An average woman has been found to use a packet of 12 sanitary napkins on a monthly basis.

The following was found about their consumption preferences-

1. Women with family income below Rs. 30,000 use unbranded packet which contains 6 pads, available at a cost of Rs. 30 each. The cost per pad is hence Rs. 5. By simple mathematics- the family spends $(12*5*3)$ Rs.180 per month.
2. 80% of the women with family income above Rs. 30,000 use brands such as Stayfree and Whisper. Women of this income class also have a tendency to stock napkins for two to three months in advance and therefore indulge in bulk buying. They spend Rs. 300 for a packet of 30 pads. By simple mathematics, the family spends $(12*10*3)$ Rs.360 per month.

Tax per packet as per GST= 12%

Amount of tax= Price- (Price/ 1.12)

*Tax for a packet of Rs. 30= Rs 4 (approx.).

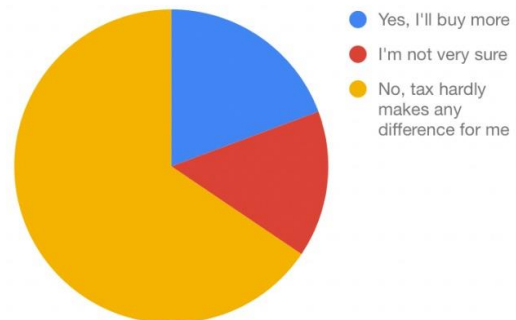
Hence tax for the family = Rs. 12

*Tax for a packet of Rs. 300= Rs 32 (approx.). Hence tax for the family = Rs. 32

Cross Price Elasticity = Change in quantity demanded of good x / change in price of good y

We will measure the cross-price elasticity for different income classes (with the pivot being at an income level of Rs. 15,000) to understand their substitutability and the subsequent section gives an explanation for the results found.

Will a fall in 10-12% fall in price alter your consumption?



Tax on a packet of sanitary napkins raises its price by a factor of 1.12. A fall of 10-12% in the prices would be equivalent to a nil tax on sanitary napkins. When respondents were asked about change in consumption pattern following a fall in prices, **65%** of them claimed that their consumption pattern would not change as tax leads to no significant difference in prices. **15%** of respondents were not sure about the effect on consumption while **20%** believed that any change in price would enhance their quantity demanded.

Insight:

- *Controlling for age, a heavy concentration of respondents who believe that a fall in price will not alter their consumption by much lie in the extreme income categories- with family income less than Rs. 15,000 (33%) and with family income above Rs. 40,001 (50%).70% of respondents in the middle- income class reported that they are not sure about the impact*

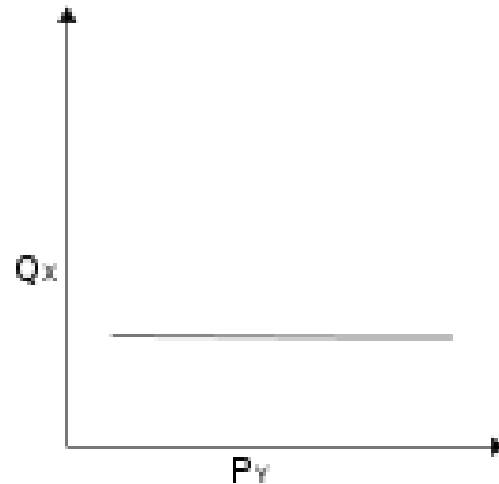
of taxation on their consumption patterns.

Therefore, in the cross-price elasticity analysis, we will consider women in the extreme income classes who have reported usage of cloth.

In the subsequent analysis,

Good X – Cloth

Good Y – Sanitary Napkin



B.1 XED for income class above Rs. 40,000

$$\begin{aligned} \Delta Q &= 0 \\ P_1 &= \text{price with nil tax} = \text{Rs. } 267 \\ P_0 &= \text{price with tax} = \text{Rs. } 300 \\ \Delta P &= - \text{Rs } 32 \end{aligned}$$

$$\text{XED} = \frac{\Delta Q_x / Q_x}{\Delta P_y / P_y} = \frac{0}{-32/300}$$

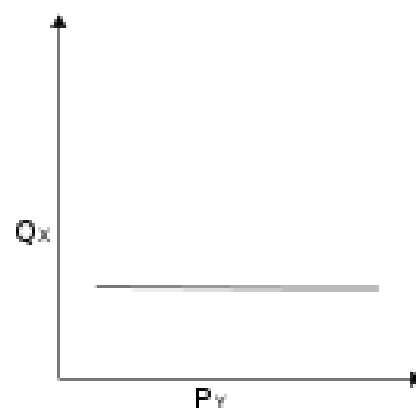
Hence, XED in case of higher income class is zero as ΔQ is seen to be zero.

When $\text{XED} = 0$, it signifies that there is no interdependence between the two goods. This result mainly arises because women of these income class are educated about healthy menstrual practices. Not only are they aware of the harmful effects of using cloth, but *habit* and *conformism* factors specific to this income class also point in the direction of sanitary napkin usage over cloth, irrespective of price.

B.2 XED for income class below Rs. 15,000

$$\begin{aligned} \Delta Q &= 0 \\ P_0 &= \text{Rs. } 30 \\ P_1 &= \text{Rs. } 26 \\ \Delta P &= - \text{Rs. } 4 \end{aligned}$$

$$\text{XED} = \frac{\Delta Q_x / Q_x}{\Delta P_y / P_y} = \frac{0}{-4/30}$$



Hence, XED for income class below Rs.15000 is zero, which signifies no interdependence between the two goods. The reasons for this result have been discussed in detail in the next section.

Here, *affordability and liquidity* factors come into play.

However, this situation of no substitutability arises only because the price difference here is not significant enough to induce a change in demand. From qualitative aspects revealed in the survey, it has been found that the current price per pad is Rs. 5 whereas women from these households have set their maximum willingness to pay at Rs. 2 per pad. Hence, for a packet of 6 pads, a considerable fall in price from Rs. 30 to Rs. 15 or below is what will cause a shift in direction of demand in favour of sanitary napkins, leading to a positive cross-price elasticity.

C. Analysis

In the previous section, it was found that cross-price elasticity for income class below Rs. 15,000 is zero, which means that for this income class, cloth and sanitary napkins do not act as substitutes. For women, who are not already using sanitary napkins, they don't consider it to be an alternative for cloth, for various reasons. Hence, a decrease in price due to nil tax on sanitary napkins does not shift the direction of demand from cloth towards sanitary napkins. This is because of the following reasons-

1. Affordability

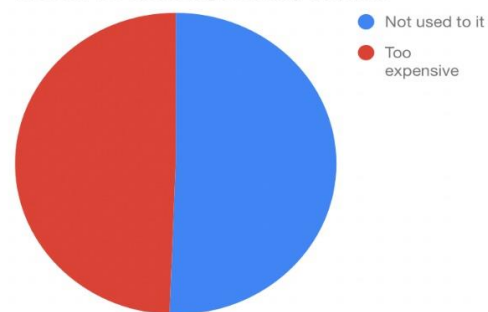
For a family with an income level equal to or less than Rs.15000, sanitary napkins act as a luxury commodity and they're only willing to spend less than Rs. 50 on it on a monthly basis. Hence, an elimination of tax on sanitary napkins still makes it unaffordable for women, who could not afford it in the presence of tax. These women resort to other substitutes like cloth and utilize the money that would have been spent on a packet of sanitary napkins to fulfill their basic requirements and other pressing needs.

2. Liquidity

In a country like India, most of the people living in the lower income bracket are either daily wage workers or working in the informal sector. Their source of income is uncertain and different on each day of the month. Most of the income earned is spent on food and rent and there are hardly any savings. Hence, the extent of impact that tax has on their consumption preferences is limited to their liquidity on the days when they are menstruating. More often than not, because of low liquidity these women do not even consider purchase of sanitary napkins, let alone getting affected by a 12% tax. 15% of the cheapest commercial brands (i.e., where unit price ranges from INR 2.50 to 3.44) are sold in bulk—often in packs of 20 and are available at hypermarkets—inhibiting low-income customers from purchasing these premium commercial pads.⁴

3. Habitual factors

Reason for not using Sanitary Napkins



To all respondents who did not report use of sanitary napkins, the reason behind it was asked. The two main reasons with almost equal shares that came up were – “too expensive” and “not used to it”. **51%** respondents reported that they did not use sanitary napkins out of habit as they were accustomed to use a cloth. Another **49%** mentioned that sanitary napkins were unaffordable for them.

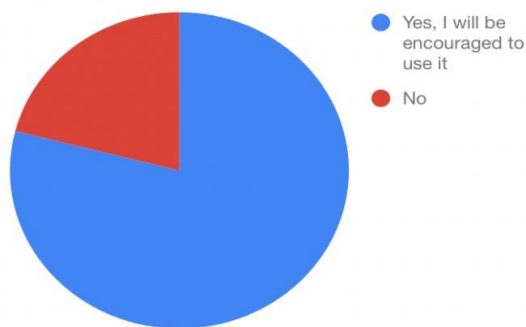
Insight:

- *Controlling for the level of family income, 83% of the respondents who have mentioned habit to be the primary reason, belong to the age group of 30 years and above highlighting that habit and experience play a major role in consumption decisions.*
- *Controlling for age, 97% of the respondents who say that habit is the primary reason guiding their consumption decisions, belong to a lower income class with family income less than Rs. 15,000.*
- *Controlling for the level of family income, 70% of respondents who feel that the price of sanitary napkins is the main reason guiding their consumption choices, belong to the age group of 20-29 years when they are at the peak of their working age and take responsibility for other dependent family members.*

4. Conformism

Conformism is the ideology that talks about how people prefer to match their attitudes, beliefs, and behaviours to group norms. Norms are implicit, specific rules, shared by a group of individuals, that guide their interactions with others.

If other women around you start using sanitary napkins, will you too?



To check the validity of conformism principle, the women who do not use sanitary napkins were asked if they would start using it, given that other women around them actively promote it. **80%** of the respondents replied affirmatively pointing out that usage by peers and family members would allow them to prioritize their health and use healthy menstrual practices. Whereas, **20%** of the women were still of the view that this factor will not affect their consumption choices.

Insight:

- *100% of respondents who feel that this factor will not alter their consumption choices, cite habit as the primary reason for not using sanitary napkins. To promote such usage, it is the mentality more than the price that needs to change. Since the advent of better advertising and more accessibility, more and more people are using sanitary napkins. This has acted as social legitimization and encouraged the use of more hygienic methods especially for women, for whom, such usage is not natural to the environment they live in.*

5. Understanding Impact on**Producers**

This section aims to understand the difference in income and competitiveness of Indian producers when faced with GST versus a nil tax.

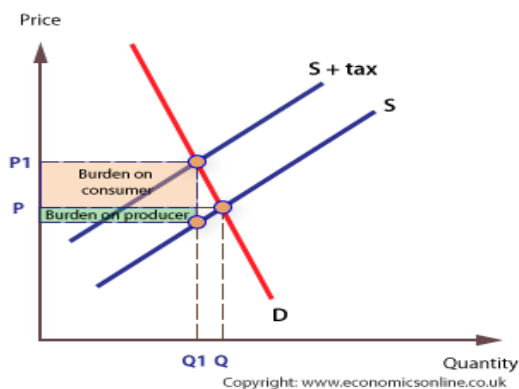
1. Input Tax Credit

Input Tax Credit means eliminating the taxes paid on inputs by the producer, through an Input Tax Credit account.

For example, if a producer is paying a tax of Rs. 450 on the inputs of a particular good, while the

government is bound to receive Rs. 300 for the final good as output tax then the producer's input tax credit balance will be Rs. 150 as the producer gets credit of Rs. 450 back on his purchase of raw materials. Putting a nil tax on sanitary napkins would lead to a denial of this ITC to producers.

Hence, producers will be paying taxes on the raw materials required for production, but will not be receiving any input credit for the same. Since sanitary napkins are considered to be a necessity in the urban market, it makes its demand more inelastic than its supply. The producers will shift any increase in cost of production due to added burden of taxes on consumers. Hence, the cost of sanitary napkins to consumers will increase if there is no GST, making it more difficult for the poor to afford.



2. International standing

With GST, tax on imports is the same as the tax levied on domestic goods. Hence the tax on foreign imports are also **12% IGST**. These importing firms also face a **10% tax** as **basic customs duty** and therefore, total duty of **23.5%** including **3% Edu Cess charge**.

Currently, 95% of the sanitary market in India is governed by foreign firms or imports, implying cheaper rate of manufacturing by these firms (China is the 4th largest producer of sanitary napkins in the world).

The “Inverted Duty Structure” is a term under GST used for a situation where the input credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies.

In terms of trade, this would imply a situation where import duty on finished products is low compared to the import duty on raw materials that are used in the production of such finished goods.

High tax on the raw materials forces producers to raise price. On the other hand, foreign finished goods enter the country at a reduced price because of low tax advantage that they will enjoy in this situation.

In conclusion, manufactured goods produced by the domestic industry become non-competitive against imported finished goods.

If GST rates on sanitary napkins are lowered, it will further accentuate this problem of tax rate inversion.

Reducing the GST rate on sanitary napkins to nil, will however, result in complete denial of ITC to domestic manufacturers of sanitary napkins and lead to zero-rating imports. This will put domestically manufactured sanitary napkins at a huge dis-advantage vis-à-vis imports, which will be zero rated.

This might lead to a situation where the even though import of exempted goods becomes cheaper, the domestic industry gets a cushion to the extent of basic customs duty.

However, this is not always the case. The main source of sanitary napkin imports is the Chinese market, which enjoys significant cost advantage in production over Indian producers.

Additionally, the danger as already seen in the condoms market, pertains to the quality of commodity traded.

Exemption of sanitary napkins from GST rate will make imports cheaper mainly due to the following reasons:

- Manufacturing in India will become more expensive. Due to higher elasticity of supply than demand, this cost burden will be reflected in prices, thus making domestic products more expensive when compared to imports.
- Cost of export to India for foreign countries will be lowered as they will no longer face IGST.

6. Conclusion and Solutions

The basic motive of writing this paper has been to analyse whether the 12% GST on sanitary napkins and why a distressingly high number of Indian women fail to use them while menstruating. And the conclusion that we have drawn from the demand and supply side analysis, is that tax is not the real culprit.

(This conclusion has been drawn keeping in mind the responses received from two extreme income categories. Responses received from those belonging to middle income categories were ambiguous in nature as the respondents were mainly not sure about the impact of taxation on their consumption pattern.)

Tax, which raises the price of the packet by a factor of 1.12 leads to an insignificant price difference for those who already can't afford it and does not matter to those who

are in a habit of consuming sanitary napkins.

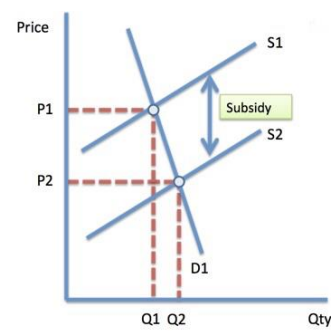
Even though, the existence of tax on something as necessary as sanitary napkins, continues to be a strong social debate, for all economic reasons, it is not the tax which poses a threat to menstrual hygiene in India, but various other factors like liquidity, conformism, habit and overall affordability.

Tax will also lead to losses to domestic producers and make them incompetent vis-à-vis international competition.

The solution to this problem does not lie in the elimination of taxes, but the following two methodologies can be adopted to facilitate the cause of menstrual health management.

1. Subsidy

A subsidy is a form of a financial assistance paid by the government to a business or an economic sector. In the long run, the sanitary napkin market is characterized by an elastic supply curve and an inelastic demand curve due to the necessary nature of this commodity. Any subsidy given to these producers, enough to lower the cost of production by a significant amount will lead to a sharp decline in prices, making it more affordable for women belonging to lower income classes.



2. Social Legitimization

More than existence of tax, habitual factors, conformism and overall liquidity play a

greater role in deciding the direction of demand.

According to Water Aid, India, menstrual hygiene is a taboo subject; a topic that many women are uncomfortable discussing in public. This is compounded by gender inequality, which excludes women and girls from decision-making processes.

Social legitimization programs should involve awareness campaigns about the health hazards of using cloth, enhanced accessibility to sanitary napkins at a lower cost (Rs. 2-3 per pad). Women belonging to a lower income class face both financial and social constraints, when it comes to using sanitary napkins. While the social constraints can be taken care of through government social initiatives, to overcome the financial constraints, provisions can be made for more effective and widespread distribution of loose pads which are priced at Rs. 2-3 per pad, so that instead of spending a lot at once to buy an entire packet, women can buy as many pads as they need while also taking care of their liquidity.

The presence of low-cost unbranded products from manufacturers in China, Ukraine, and Malaysia is rapidly increasing as National and state governments are outsourcing low-cost pads from such sources and providing it free to girls in schools and communities; however, the availability of these pads as well as the quality varies.⁵

To counter this problem, the authors believe that the government can start by outsourcing from Indian brands that are in existence so that the quality can be regulated and monitored, and at the same time, this will boost productivity of Indian brands.

Government tie-ups with FMCGs that have last mile distribution points like Nestle, Coca-Cola and pharma companies like

Ranbaxy, Mankind, etc. as a part of their CSR initiative is also a productive step in this direction.

The following table summarizes the current state of key enablers that promote effective menstrual health management⁶

Enablers	Overview of current state
Education and Awareness	Girls received inadequate education on menstruation pre-menarche. Post-menarche, education programs focus on the biological aspects of puberty, with limited focus on psychosocial needs. Awareness programs are common, but are limited to product use, constrained by weak facilitators, and rarely target influencers.
MHM Products	The majority of women and girls in India use homemade products to manage their menstruation. Commercial pads are expensive for low income users, and low-cost pads vary in reach and quality.
Sanitation	Cultural practices, hygiene routines, and community attitudes related to menstruation limit girls' use of existing toilets, particularly during menstruation. Current national level efforts to improve sanitation do not prioritize MHM or influence relevant

Policy	<p>community norms. Disposal solutions for menstrual waste are largely unexplored. Current programming does not prioritize vulnerable populations.</p> <p>The recent national MHM Guidelines are a critical step towards a collaborative and integrated solution to MHM. Policymakers continue to function in silos and need greater alignment, accountability, and strategies for implementing the guidelines at the state level.</p>
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- Medicine and Primary Care* 4, no. 2 (April-June 2015): 184-86
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Basic consumer choices that affect buying decisions, are found to be influenced by social norms, and dictated by the principle of conformism. There is a prominent need for social legitimization to break through traditional barriers and encourage safer and healthier menstrual hygiene practices amongst Indian women.

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7th Central Pay Commission: An analysis

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1. Abstract

The aim of the paper is to examine employees' perception of and satisfaction from the recommendations of 7th Central Pay Commission which was set up under Justice A.K. Mathur on September 25, 2013.

The first part of this project studies the background of Pay Commissions in India with a specific focus on 7th Central Pay Commission. In the second part, the data collected from government employees; by a non-random purposive sampling; on parameters like employee's status, designation, pay structure and satisfaction; through an online and offline questionnaire made on 'Google forms' is analysed. The null hypothesis set up states that there is "no significant relationship between employee characteristics and their satisfaction from 7th Pay Commission". The data collected is processed and tabulated, to check whether the hypothesis holds true using suitable statistical tests (like chi square test and Fisher's Exact Test).

Key Words: Pay Commission, Fixation factor, Pay Structure, Satisfaction, Chi-square Test and Fisher's Exact Test.

2. Introduction

'To improve efficiency, the government has from time to time constituted Administrative Reforms Commissions to suggest ways and means to improve efficiency in administration. The Government of India has

also, set up various Pay Commissions for improving the pay structure of its employees so that they can attract better talent to public service. In this 21st century, the global economy has undergone a vast change and it has seriously impacted the living conditions of the salaried class. The economic value of the salaries paid to them earlier has diminished. The economy has become more and more consumer economy. Therefore, to keep the salary structure of the employees viable, it has become necessary to improve the pay structure of their employees so that better, more competent and talented people could be attracted for governance.' (Report of the Seventh CPC, November, 2015)

The project is an attempt to study the background of Central Pay Commissions in India. Further data on the 7th Central Pay Commission is collected and analysed. The basic aim throughout the project was to study whether the Government employees were satisfied or not.

3. Background

The Pay Commission is an administrative system that is set up by government of India; to determine the salary structure of its employees. Since India's Independence, 7 pay commissions have been set up, every 10 years, to review and make recommendations on the work and pay structure of all civil and military divisions of the Government of India.

- The first pay commission was established on January, 1946. The mandate was to examining and recommending emolument structure of Civilian employees.
- The second pay commission was set up in August 1957 under chairmanship of Jagannath Das. The second pay commission reiterated the principle on which the salaries have to be determined. It stated that the pay structure and the working conditions of the government employee should be crafted in a way so as to ensure efficient functioning of the system by recruiting persons with a minimum qualification.
- The third pay commission set up in April 1970 gave its report in March 1973, under chairmanship of Raghubir Dayal. The third pay commission (3CPC) added three very important concepts of inclusiveness, comprehensibility, and adequacy for pay structure to be sound in nature. The third pay commission went beyond the idea of minimum subsistence that was adopted by the first pay commission.
- 4th pay commission was constituted in June 1983 under the chairmanship of fourth pay commission was P N Singhal. The main outcome of 4th CPC was the concept of 'RANK PAY'.
- The chairman of fifth pay commission, which came into effect on 2 May 1994, was Justice S. Ratnavel Pandian. It declared massive hike in salary of about 3.3 million

central government employees. Further, it also insisted on pay revision at the state government level. The Fifth pay commission disturbed the financial situation of both the Central and the State Governments.

- The Sixth Central Pay Commission was formed on 5th October, 2006; under chairmanship of B. N. Srikrishna. It included making recommendations to rationalize the governmental organization and structure. The Commission submitted its report to the Finance Minister, P. Chidambaram on 24 March 2008 and on 29 August 2008 the government announced its decision to implement the report, with some modifications.

4. Seventh Central Pay Commission

On September 25, 2013 then Finance Minister P Chidambaram announced that Prime Minister Manmohan Singh has approved the constitution of the 7th Pay Commission. Its recommendations are likely to be implemented with effect from January 1, 2016. Justice A.K Mathur will be heading the Seventh Pay Commission, announcement of which was done on 4 February 2014. On 29 June 2016, Government accepted the recommendation of 7th Pay Commission Report with meagre increase in salary of 14% after six month of intense evaluation and successive discussions.

Table 1: MEMBERS OF SEVENTH PAY COMMISSION

<i>S. No</i>	<i>Name</i>	<i>Designation</i>	<i>Role in Commission</i>
1	Ashok Kumar Mathur	Retired Judge, Supreme Court and Retired Chairman, Armed Forces Tribunal	Chairman
2	Vivek Rae	Retd. Secretary, Ministry of Petroleum and Natural Gas	Member (Full Time)
3	Dr. Rathin Roy	Director, NIPFP	Member (Part Time)
4	Meena Agarwal	OSD, Department of Expenditure, Ministry of Finance	Secretary

4.1 Recommendations

- i) 23.55 per cent increase in pay and allowances recommended
- ii) Minimum pay fixed at Rs. 18,000 per month; maximum pay at Rs 2.25 lakh
- iii) The rate of annual increment retained at 3per cent
- iv) 24 per cent hike in pensions
- v) One Rank One Pension proposed for civilian government employees on line of OROP for Armed forces

- vi) Ceiling of gratuity enhanced from Rs 10 lakh to Rs 20 lakh; ceiling on gratuity to be raised by 25 per cent whenever DA rises by 50 per cent
- vii) Cabinet Secretary to get Rs 2.5 lakh as against Rs 90,000 per month pay band currently Military Service Pay (MSP), which is a compensation for the various aspects of military service, will be admissible to the defense forces personnel only
- viii) MSP for service officers more than doubled to Rs 15,500 per month from Rs 6,000 currently; for nursing officers to Rs 10,800 from Rs 4,200; for JCO/ORs to Rs 5,200 from Rs 2,000 and For non-combatants to Rs 3,600 from Rs 1,000
- ix) Short service commissioned officers will be allowed to exit the armed forces at any point in time between 7 to 10 years of service
- x) Commission recommends abolishing 52 allowances; another 36 allowances subsumed in existing allowances or in newly proposed allowances.

5. Literature Review

In past, various researches have been conducted on pay commissions in India. For instance, the paper ‘Possible Impact of Seventh Central Pay Commission Recommendations on Income Distribution in India (by Prafulla Kumar Das)’ talks about pay commissions and their impact on income distribution in India.

Another research paper titled “*6th pay commission: estimation of job satisfaction among central Government Employees (Shastri and Sinha)*” analyses how implementation of 6th pay commission affected the job satisfaction of central government employees. The findings showed that there indeed is a significant relation between the two. However, it is worth pointing out that a chi square test was applied on a sample size of 50 central Government Employees from Uttar Pradesh. For such a small sample size, the chi square results can be misleading. Therefore in this paper, fisher exact test is also used. Besides, no study has been conducted to test association between employees’ characteristics and satisfaction level from pay commission. To bridge this research gap, we conducted a study on 60 central and state government employees from various states.

6. Objectives

With the help of this study the following objectives will be fulfilled

- 1) To find out impact of 7th pay commission on satisfaction of state and central government employees.
- 2) To examine the association between some of the employees’ characteristics and employees’ satisfaction level from 7th pay commission, through hypothesis testing.
- 3) To study the possible reasons behind the derived results.

- 4) To analyze factors causing dissatisfaction among Government Employees.

7. Hypotheses

Following are the major hypothesis tested in the present study:

- A. There is no significant association between Employees’ Status and their satisfaction from 7th Central Pay Commission.
- B. There is no significant association between Employees’ Basic Pay and their Satisfaction for 7th Central Pay Commission.

8. Research Methodology

The data was collected through **Non Random Purposive/Judgemental sampling**. We reached out to a group of employees from central and state government by way of online and offline questionnaires¹, to seek their responses and inputs on 7th CPC. Data on basic pay, satisfaction level etcetera was collected. A total of 60 responses came up which were analysed to form conclusions about Employees’ characteristics and their Satisfaction level. The **IBM SPSS** software was used to apply **Chi square test** between the test variables. Since the data set was small **Fisher’s Exact Test** was used.

Chi Square Test independence is used to determine if there is a significant relationship between two nominal (categorical) variables. It is intended to test how likely it is that an observed distribution is due to chance.

¹ The questionnaire used is attached at the end of the paper.

However, the chi square approximation gives correct result only when the data is fairly large. When the data is small Fisher's Exact test is used. As a rule of thumb the chi-squared test is not suitable when the expected value in any cell of the contingency table is below 5.

Fisher's exact test is a statistical significance test used in the analysis of contingency tables. The test is useful for categorical data; it is used to examine the significance of the association (contingency) between the two kinds of classification.

9. HYPOTHESES TESTING-

A. Association between Employees' Status and Employees' satisfaction from 7th Central Pay Commission

An association has been tested using the data depicted in table 2 and 3 respectively, that shows frequency distribution of both the variables. It has been hypothesized that, "*there is no significant association between employees' Status and their satisfaction level*". To test the hypothesis, Chi Square test of independence has been applied. Since some of the cell values are less than 5 Chi-square test could not be applied and therefore, Fisher's Exact test is used. Results are presented in form of Contingency table 4. It shows Independent variable (i.e. Employees' status) in the rows and dependent variable (i.e. Satisfaction level) in the columns.

Results show Fisher's Exact Test value in 9.831 and the p value is 0.018. As the value is less than 0.05,

we reject our null hypothesis. This implies that employees' status has a significant association with the satisfaction level.

Table 2: Frequency Distribution of the Respondents for their Satisfaction

S. No.	Satisfaction	Frequency	%
1	Not Satisfied	22	36.67
2	Less Satisfied	21	35
3	Satisfied	16	26.66
4	Very Satisfied	1	1.67
Total		60	100

Pie chart for table 2:

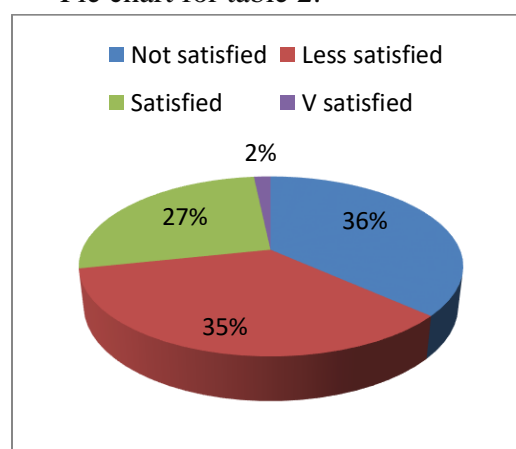


Table 3: Frequency Distribution of Employees' Status

S. No.	Employees' Status	Frequency	%
1	Central	33	55
2	State	27	45
Total		60	100

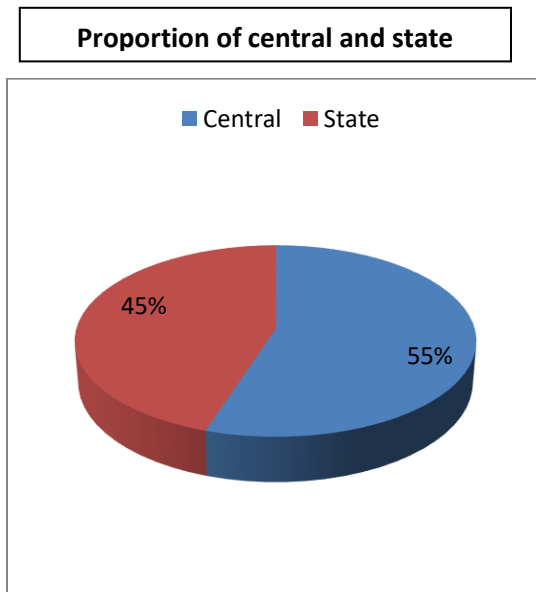


Table 4: Cross Tabulation of Employment Status and Satisfaction

			Satisfaction				Total
			Not satisfied	Less Satisfied	Satisfied	Very Satisfied	
Employees' status	Central Government	Count	15	14	4	0	33
		% of Total	25%	23.33%	6.67%	0%	55%
	State Government	Count	7	7	12	1	27
		% of Total	11.67%	11.67%	20%	1.67%	45%
Total		Count	22	21	16	1	60
		% of Total	36.67%	35%	26.67%	1.67%	100%

Chi-Square Tests results by IBM SPSS

	Value	df	Asymptotic Significance (2-sided)	Exact Significance (2-sided) P value
Pearson Chi-Square	10.168 ^a	4	.038	.018
Fisher's Exact Test	9.831			.018
N of Valid Cases	60			

a. 4 cells (40.0%) have expected count less than 5. Therefore Chi Square can't be applied.

Fisher's exact test p value =0.018, p<0.05, at significance level 0.05 we reject null hypothesis

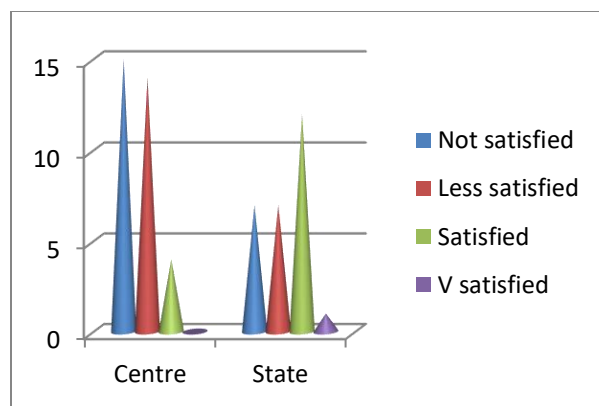


Chart 1: employees' status and satisfaction

- **Reason for rejection of Null hypothesis –**

The possible reason of association between the employees' status (i.e. whether they belong to Central or state government) and satisfaction level can be-

- The promises about implementation made by government during the election rally² and an early clearance of arrears and pension dues in various states including Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh etcetera boosted the spirit of state government employees.
- It was also observed that after implementation in one state, the other states followed the same path, in fear of losing the

next state elections. Therefore, the expectations of full implementation of 7th CPC is higher amongst the state government employees.

- On the other hand, the Central Government employees are still skeptical about the clearance of their arrears as the government is facing a revenue crunch caused due to Financial restructuring (Demonetization) in the previous year, as well as the banking scams³ that aggravated the situation.

B. Association between Employees Pay and their Satisfaction for 7th Pay Commission

Association between Employees' income and their satisfaction level is tested using Fisher's exact test of independence at a significance level of 0.05. Frequency distributions of both the variables are shown in table 2 and 5 respectively. It has been hypothesized that, "*there is no significant association between Employees Basic Pay and their Satisfaction for 7th Pay Commission*". Results are presented in contingency table 6.

Fisher's Exact Test value=16.156 and the p value = 0.114. When compared with the significance level of 0.05, it is higher, therefore we do

² "7th pay commission promise helped BJP woo government employees."- (Tripura, India Today,5-3-18)

"Benefits announced for 8.77 lakh Gujarat government employees and pensioners" (Financial Express,4-3-18)

³ "7th pay commission: Multi-crore bank frauds take a toll on salary hike, wait gets longer." (ET NOW, 6-3-18)

not reject our null hypothesis which implies that there is no significant association between these two variables; We conclude that employees' Basic pay, has no association with the satisfaction level.

Calculation of real increase in basic pay using 'r formula'-
As on 1 January 2016, Dearness allowance (π) =125% of the basic pay

The Fitment factor fixed by 7th CPC $(1+i) = 2.57$ times the basic pay
Then, the real increase calculates using the formula for real return i.e. $1+r = (1+i)/1+\pi$, gives the return

$$1 + r = 2.57/(1+1.25)$$

This implies, $r = .1422$ which is 14.22%

Similarly, for the 6th Pay Commission the real increase is calculated which is 40%

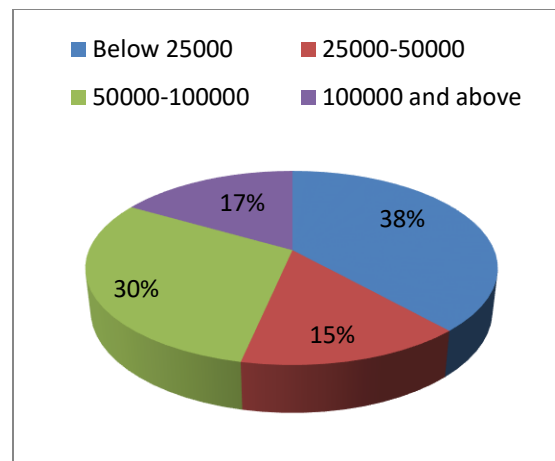


Table 6: Cross Tabulation of Pay and Satisfaction

Data regarding the DA⁴ is given in the footnote below.

Table 5: Frequency Distribution of Basic pay (monthly)

S. No.	Basic Pay	Frequenc y	%
1	Below 25000	23	38.3
2	25000-50000	9	15
3	50000-100000	18	30
4	100000 and above	10	16.6
Total		60	100

⁴ D.A. as on 1.1.16 (base year=2006)= 125%
D.A. as on 1.1.06 (base year=1996)=24%

These percentages are calculated using CPI (IW) taking the base year of announcement of the pay commission.

		Satisfaction					Total
		Not satisfied	Less Satisfied	Satisfied	Very Satisfied		
Basic Pay	Below 25000	Count	6	6	11	0	23
		% of Total	10%	10%	18.33%	0%	38.33%
	25000 to 50000	Count	6	2	1	0	9
		% of Total	10%	3.33%	1.67%	0%	15%
	50000 to 100000	Count	6	9	2	1	18
	% of Total	10%	15%	3.33%	1.67%	30%	
	Above 100000	Count	4	4	2	0	10
	% of Total	6.67%	6.67%	3.33%	0%	16.67%	
Total		Count	22	21	16	1	60
		% of Total	36.67%	35%	26.67%	1.67%	100.00%

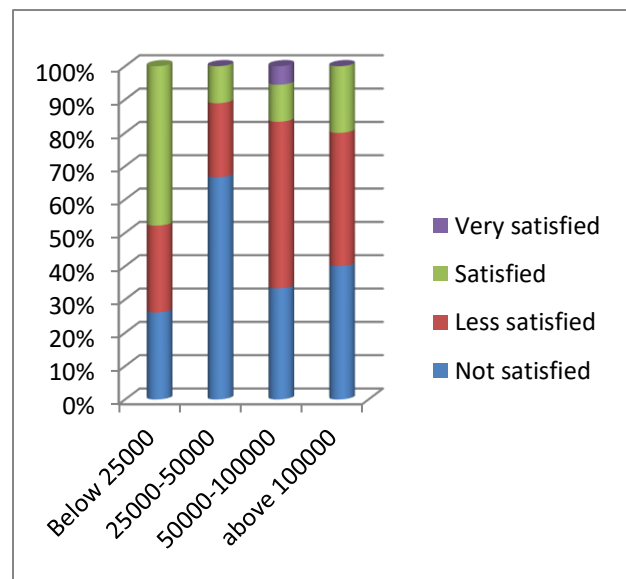
Chi-Square Test results IBM SPSS

Value	df	Asymptotic Significance (2-sided)	Exact Significance (2-sided) p-value

Pearson Chi-Square	16.756 ^a	12	.159	.131
Fisher's Exact Test	16.156			.114
N of Valid Cases	60			

a. 15 cells (75.0%) have expected count less than 5. Therefore Chi Square cannot be applied.

Fisher's exact test p value =0.114, p>0.05, at significance level 0.05 we do not reject the null hypothesis.

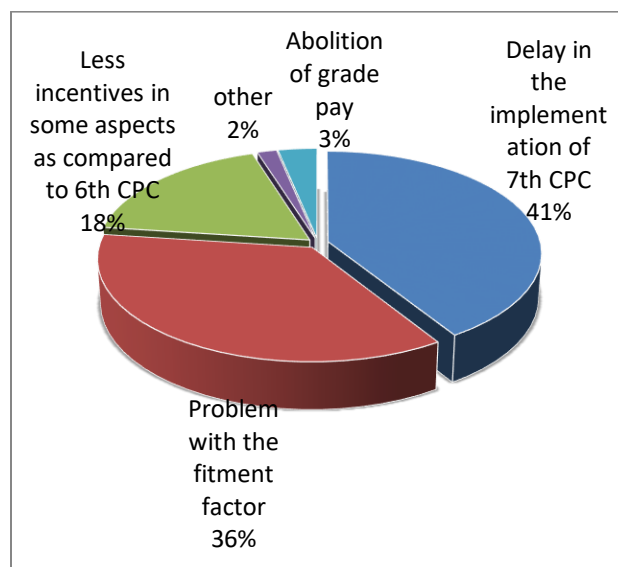


Graph showing employees' income and satisfaction

- **Reason for not rejecting null hypothesis**

Our study shows that, all the income classes are dissatisfied with the hike in their basic pay. To find the reason behind this conclusion, we calculated the real increase in basic pay that shows- an increase of only 14.22% under the 7th pay commission, which is substantially smaller than that given in the 6th pay commission. And since this problem affects all the income groups alike, there is no significant association between employees' basic pay and their satisfaction level.

10. ANALYSING THE REASONS OF DISSATISFACTION-



10.1 Delay in the full implementation of 7th pay commission

The 7th CPC submitted its report on 19th November 2015 and the government gave its approval on June 28th 2016 with 34 modifications. However, a significant change in allowances created resentment amongst various staff association and ministries. To resolve this, committee on allowances was set up under Ashok Lavasa. The committee took note of all representations receive from various stakeholders and submitted its report on April 2017 which was again sent to Department of expenditure and Empowered Committee of secretaries which was set up to screen the recommendations. This lead to a further delay in implementation. The arrears for the period from January 2016 to June 2017 were paid in parts. Part of arrears was paid during October 2016 and June 2017. This continued till late 2017 since the economy was facing a cash crunch caused due to demonetization. Still many allowances are not paid.

10.2 Problem with the fitment factor of 2.57

- Under Previous Commissions The V CPC adopted the 'Constant Relative Income Approach' to estimate the minimum pay. It was based on the principle that the real minimum pay must grow in tandem with real per capita income so that the compensation of government staff is not independent of the economic realities of the country. After adding the

dearness allowance to the minimum basic pay in 4th CPC, the amount arrived at was ₹1,860. To this 30.9 percent applied as the real increase in the per capita income (per capita net national product at factor cost) during the period. After rounding off, the minimum pay was arrived at ₹2,440 as on 01.01.1996, which was subsequently increased to ₹2,550 at the implementation stage.

- The VI CPC used the **norms set by the 15th Indian Labor Conference (ILC)⁵ in 1957** to determine the need-based minimum wage for a single industrial worker. The VI CPC considered additional components of expenditure to cover for children's education, medical treatment, recreation, festivals and ceremonies. Based on its calculations the VI CPC arrived at a minimum wage of ₹5,479. This was enhanced by about 22 percent to ₹6,660. To this 25 percent was added for

various other items plus the skill factor, making it to be ₹7000.

- **Calculation of Minimum Pay under 7th CPC**

The aggregate price of basket of commodities; including food, clothing and detergent products listed in their respective quantities (as specified of 15th ILC); were calculated using their average prices prevailing in each month from July, 2014-June, 2015. The value was calculated for an average family consisting of four members, with the husband assigned 1 unit, wife, 0.8 unit and two children, 0.6 units each. Then the cost estimated was increased by 25 percent to account for the skill factor. After allowing for DA, Variable DA and all other allowances the cost estimated was rounded off to ₹18,000, which is the minimum pay being recommended by the commission. This is 2.57 times the minimum pay of ₹7,000 fixed by the

⁵The Indian Labour Conference (ILC) is the apex level tripartite consultative committee in the Ministry of Labour & Employment to advise the Government on the issues concerning working class of the country. ILC plays a very important role in policy formulation. For instance, the norms recommended by the Indian Labour Conference, held in 1957, are taken into account while fixing the minimum wages even now. These recommendations are as follows:

- 3 consumption units for one earner.
- Minimum food requirements of 2700 calories per average Indian adult.

- Clothing requirements of 72 yards per annum per family.
- Rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme.
- Fuel, Lighting and other miscellaneous items of expenditure to constitute 20% of the total minimum wage.

government while implementing the VI CPC's. Accordingly, basic pay at any level on 01.01.2016 (pay in the pay band + grade pay) would need to be multiplied by 2.57 to fix the pay of an employee in the new pay structure. Of this multiple, 2.25 provides for merging of basic pay with DA, assumed at 125 percent on 01.01.2016, while the balance is the real increase being recommended by the Commission. The real increase works out to 14.22% according to our formulas as well as other sources which is the lowest hike in 70 years.

- Ever since the announcement of the Seventh Pay Commission, the central government employees have been demanding that the minimum pay be hiked to Rs 26,000 from the current Minimum basic pay. This will result in a fitment factor of 3.68 from the current 2.57.

10.3 Less incentives in some aspects as compared to 6th Pay commission

One major reason of resentment among employees is the abolition of various allowances under 7th central pay commission.

The 7th CPC has recommended that 52 allowances be abolished altogether. Another 36 allowances are to be abolished as separate identities, but to be

subsumed in an existing or a newly proposed allowance.

10.4 Abolition of grade pay

'Employee compensation is an important element of government functioning. In general, the pay should be sufficient to attract and retain high quality staff, motivate them to work hard, and should be set at a level to ensure long term fiscal sustainability.' (Report of the Seventh CPC, November, 2015)

The new pay structure was devised keeping these objectives in mind. The main features are as follows

- The system of Pay Bands and Grade Pay has been dispensed with and the new functional levels were proposed. These were arrived at by merging the grade pay with the pay in the pay band.
- The earlier structure indicated definite boundaries within which the pay of an individual could lie. It was however difficult to ascertain the exact pay of an individual at any given point of time.
- But the new pay structure has been devised in the form of a pay matrix to provide complete transparency regarding pay progression and any new entrant to a service would make a reasonable and informed assessment of how his/her career path would traverse and how the emoluments will progress alongside.
- The VI CPC had recommended running Pay Bands with Grade Pay as status determiner. The Seventh CPC

is recommending a Pay matrix with distinct Pay Levels. The Level would henceforth be the status determiner.

- The pay matrix comprises two dimensions. It has a “horizontal range” in which each level corresponds to a ‘functional role in the hierarchy’ and has been assigned the numbers 1, 2, and 3 and so on till 18. The “vertical range” for each level denotes ‘pay progression’ within that level. These indicate the steps of annual financial progression of three percent within each level. The starting point of the matrix is the minimum pay which has been arrived based on 15th ILC norms or the Aykroyd formula.’

According to data collected some of the respondents believe that abolition of grade pay is disadvantageous for them, but this shift to a new pay matrix is more good than bad because it has resolved all the anomalies of the previous pay structure.

10.5 Other

- As per the MHRD office Memorandum released on January 13 2017, those universities run by the centre are supposed to get only 70% of enhanced financial burden on account of the pay revision; the rest will be met by the universities through self-generation of resources. This funding formula of 30:70 grew fear among university professors that there will be a further delay in the implementation. On the

other hand, State universities have been allocated only 50 % of the central assistance and that too for a reduced period of 39 months. This would lead to a hike in college fees and would deprive many students from accessing higher education.

- Also the professors are not satisfied with the new pay structure and they are making the following demands-
 - i. Higher pay for the teachers at the entry level and 3 assured promotions for teachers up to professor’s level.
 - ii. More incentives for PHD teachers.

11. FINDINGS AND RESULTS

The online and offline questionnaire made on Google form was sent to 500 respondents of which 60 reverted back. So the response rate was 12%.

After analysing the sample population we drew the following conclusions-

- 100% of sample population was aware about 7th pay commission.
- Almost 72% of respondents are not satisfied or less satisfied with 7th CPC.
- Test statistics show that there is a significant association between employees’ status and satisfaction level; however, the variables Employees’ basic pay and satisfaction are independent of each other.

- 38.33% respondents said that, extension of 7th Pay Commission to university professors is justified.
- The major causes of dissatisfaction among the employees were- Delay in Implementation of 7th CPC (42%) and Problem with the fitment factor of 2.57 (37%).

12. CONCLUSION

Based on the responses we conclude that there is a widespread dissatisfaction among government employees from recommendations of 7th CPC. The major reasons of dissatisfaction were Delay in the implementation, problem with the fitment factor and less incentives as compared to 6th pay commission. Through IBM SPSS Chi square and Fisher's test was applied to the data collected, the results showed that there is a significant association between employees' status (whether they belong to central or state government) and satisfaction level. However the variables, Employees' basic pay and satisfaction showed no correlation.

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Questionnaire

7th Pay Commission: An analysis

The study is to examine employees' perception of and satisfaction from the recommendations of 7th Central Pay Commission as a part of our college Research project. Through this survey we hope to gather your views on the above mentioned topic. We assure that the information provided by you will remain confidential.

Email address: *

Name:

Contact Number:

Employee of: *

- Central government

- State government

Designation: *

Education: *

Basic pay (monthly): *

- Below 25000
- 25000-50000
- 50000-100000
- Above 100000

Do you know about the 7th Pay Commission?

- Yes
- No

Do you think the recommendations for university professors under 7th Central Pay commission are justified? *

- Yes
- No

Are you satisfied with the recommendations of 7th pay commission? *

- Not satisfied
- Less satisfied
- Satisfied
- Very satisfied

What according to you are the reasons for dissatisfaction from 7th Pay Commission? (If applicable) *

- Delay in the full implementation of 7th pay commission
- Problem with the fitment factor of 2.57
- Less incentives in some aspects as compared to 6th Pay commission
- Abolition of grade pay

Any other relatable information you will like to share:

Thank you for taking out time to fill this form.

Improving Maternal Healthcare in Rural Madhya Pradesh

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“No matter where a woman lives, giving birth should be a time of joy, not a sentence to death.”

-Thoraya Ahmed Obaid,
Former Executive Director of
UNFPA (2001–2010)

Pregnancy and motherhood are natural processes in the lives of women of reproductive age. These processes are generally considered to be positive and fulfilling experiences. However, for various reasons many women end up dying during pregnancy, childbirth and the post-natal period. Improving maternal health and reducing maternal mortality are accepted as human rights challenges and these issues have been prioritized in several international declarations and national policies. Improved scientific knowledge and the availability of modern technology have brought several significant successes in global health over the past five decades but maternal mortality reduction remains a serious challenge in the majority of low- and middle-income countries.

India has a huge toll of maternal deaths, with 50,000 deaths in 2013, which constituted 17% of the global burden of maternal mortality. It has achieved a significant decline in the maternal mortality ratio (MMR) from 892 maternal deaths/100,000 live births in 1972–76 to 178 in 2010–12. Nevertheless, the country is still far away

from reducing it to 109 maternal deaths per 100,000 live births, which is the millennium development goal (MDG) 5 target for the country.⁶

Improving maternal health and reducing maternal mortality are not simply health issues; rather they are critical human rights issues. The United Nations Human Rights Council (UNHRC) accepted, in 2009, that preventable maternal mortality is a human rights challenge, and especially the right to life and to enjoy the highest attainable standard of physical and mental health, including sexual and reproductive health.

Present Health Status of Madhya Pradesh

The state of Madhya Pradesh is one of the **Empowered Action Group states under the National Health Mission.**⁷ These states have struggled to contain population growth at manageable levels and have poorer quality of life indicators when compared with the other states of India. The central government has released significant funds through various schemes to address the myriad health concerns that Madhya Pradesh faces. However, the state still struggles with health problems that contribute to high maternal and child mortality rates. These problems include anaemia, malnutrition among adults and children, early childhood illnesses, and several infectious diseases (NFHS-4, 2015-2016).⁸ The health infrastructure and human resources also do not measure up against the

⁶ WHO, UNICEF, UNFPA, World Bank, United Nations Population Division: Trends in Maternal Mortality: 1990 to 2013- Estimates by WHO, UNICEF, UNFPA, World Bank and United Nations Population Division. Geneva: World Health Organization; 2014; Registrar General of India: Special Bulletin on Maternal Mortality in India 2010-2012. New Delhi: Office of the Registrar General of India; 2013.

⁷ <http://www.nmji.in/article.asp?issn=0970-258X;year=2016;volume=29;issue=5;page=267;epage=273;aulast=Kumar>

⁸ <http://www.indiaenvironmentportal.org.in/content/424110/national-family-health-survey-2015-16-nfhs-4-states-fact-sheets/>

standard guidelines (National Health Mission, 2015).

The efforts made by the state government have been successful in reducing the Maternal Mortality Rate from 507 (1982–86) to 227 in 2012-2013, but the state still remains in the group of states with **the highest MMR in the country**. (Figure 1 shows the trend of MMR from 1982–86 to 2012-13). However, the current levels of MMR in the state are far away from the target of 100 maternal deaths per 100,000 live births set by the state government to be achieved by 2017.⁹

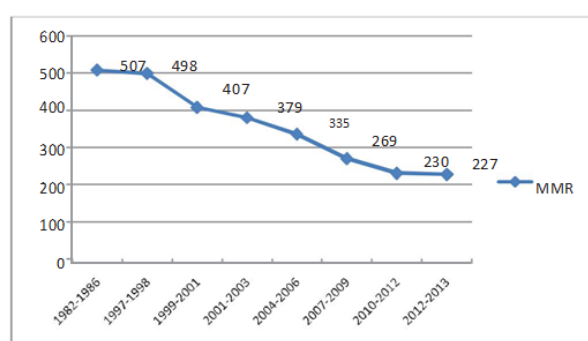


Figure 1: Levels of MMR in Madhya Pradesh, 1982-86 to 2012-13. (India: 2014)

The data from the first two rounds of the Annual Health Survey (AHS) presented in Table 1 (given below) shows that the **state has improved on some of the indicators in terms of use of maternal health services such as registration in the first trimester, institutional delivery and post-natal care**. However, it still needs to do better in increasing the coverage of full ante natal care and providing skilled attendance in home deliveries.

Indicators	AHS-1 (2010-11)	AHS-2 (2011-12)
Mothers who received 3 or more antenatal check-ups (%)	68.1	70.7
Mothers who received at least one tetanus toxoid injection (%)	94.8	90.6
Mothers who received 3 or more antenatal check-ups (%)	68.1	70.7
Mothers who received full antenatal check-up (%)	13.3	15.3
Mothers who consumed iron folic acid (IFA) for 100 days or more (%)	17.5	18.9
Institutional delivery (%)	76.1	79.7
Delivery at home (%)	23.5	20.0
Delivery at home conducted by skilled health personnel (%)	26.0	31.1
Mothers who received post-natal care within one week of delivery (%)	76.6	80.3

Table1. Maternal health care indicators in Madhya Pradesh (Clemens MA 2007)

Madhya Pradesh also has the **highest Infant Mortality Rate (IMR) in the country with 52 deaths of children less than one year of age per 1,000 live births**. Neo natal mortality accounts for high infant mortality rates and studies have shown that some of the reasons for high IMR are home delivery by unskilled persons, lack of essential care for asphyxia and hypothermia, poor child care practices, lack of early detection of sick new-born, delayed referral mechanisms, inadequate infrastructure at healthcare facilities for specialized care of new sick new-born etc. It was also found that poverty has a strong co-relation between ante-natal care and female literacy which therefore affects IMR. A report published by the National Institute of Public Finance and Policy (NIPFP) in collaboration with the United Nations Children's

⁹ Maternal health and healthcare in Madhya Pradesh state of India: an exploration using a human rights lens. Department of Public Health and Clinical Medicine, Epidemiology and Global Health, Umeå University <https://www.diva-portal.org/smash/get/diva2:761328/FULLTEXT01.pdf>

Fund, also found that women's education is the most important indicator of reduction in infant and childhood mortality.¹⁰

Present healthcare system in Madhya Pradesh

The seventy first round of the National Sample Survey found that the average out of pocket hospital expenditure in Madhya Pradesh of Rs. 24,085 (approximately US \$ 360) is higher than the national average of Rs. 18,000 (approximately US \$268). These expenditures in Madhya Pradesh are also higher than states where care is dominated by the private sector, such as Andhra Pradesh, Tamil Nadu, and Karnataka, and most of the country. Out of pocket expenditures are higher in Madhya Pradesh despite a nearly equal balance between public and private facilities (NSSO, 2014).

1. Public Sector

a. Healthcare infrastructure

According to the Eighth Common Review Mission Report of the National Health Mission, the major challenges for the state have been large gaps in healthcare infrastructure, lack of timely transportation for maternal care, and weak referral linkages to the district level. At the sub-district level, lack of specialists and blood storage units create challenges for maternal care. Guidelines for maternal and child care exist but are not followed or are not updated. Many of the nutrition rehabilitation centres for undernourished mothers and children at the sub-district level are non-functional (NRHM, 2014).

Against the 7,000 sanctioned posts, the state also requires at least 4000 doctors, and the shortage has put pressure on the working doctors and increased the health department's dependence on contract employees. However, the government's temporary move doesn't always work, especially when the contract health employees go on strike alleging apathy. The state government manages to retain only 20 to 30% of the doctors it recruits annually

due to poor pay scale, no residential facilities, lack of safety arrangements and no clear promotion or transfer policy.¹¹

In an effort to reduce the high levels of maternal and neonatal mortality, the **Janani Suraksha Yojana** was launched by the National Rural Health Mission in 2005. This scheme provides financial support for transport and incentives to the Accredited Social Health Activists (ASHAs) for motivating expectant mothers to opt for institutional delivery. Ever since this scheme was put in practice there has been a drastic improvement in the number of institutional deliveries in Madhya Pradesh. In MP, the Janani Express Yojana was also launched to support the Janani Suraksha Yojana and these referral transport services i.e. the Janani Express Vehicles are available and functional in all first referral units. However, the problems of maternal and neonatal mortality cannot be solved by getting mothers to sign up for institutional deliveries alone. A significant effort also needs to be put into ensuring that there are adequate human resources, labor rooms and functional newborn care units available at all government healthcare centres, once the mothers reach there.

Here is an overview of government healthcare centres in Madhya Pradesh:

- Village Health Centres (VHC)
This village level facility is run by the anganwadi workers or ANM from her home. In some cases, the VHCs have outdated and unusable stock of medicines. Moreover, since very small villages would not have this facility, it is operated for a group of villages. The visits to each village by the health worker are not regular and timely.¹²
- Sub-Centres (Gram Panchayat Level)¹³
These sub-centres are supervised by the

¹⁰Madhya Pradesh State MDG Report- 2014-15-
http://www.nipfp.org.in/media/medialibrary/2016/03/Madhya_Pradesh_State_MDG_Report_NIPFP_UNICEF.pdf

¹¹<http://www.hindustantimes.com/bhopal/shortage-of-doctors-plagues-rural-health/story-izj5rcybiK2q2zWGLsITwK.html>

¹²http://csd.columbia.edu/files/2016/10/Scale-Up-Health_Rural-India.pdf

¹³ Appendix-1

field health workers. Although as per the official norms, they are supposed to have their own buildings, almost 60 percent of such sub-centres operate from within rented premises. They are usually run in private houses of the field health workers or influential people from the particular village. Since no qualified doctor or medical professional is available at these sub-centres, the emergency cases are generally referred to PHC/CHC/District or private practitioners. In general, the sub-centres have irregular hours of functioning and operate for about six hours a day. Sometimes, ANMs or other paramedical staff (PMS) does not turn up for the entire day. Several of these sub-centres function extremely inefficiently. Most of these sub-centres have serious deficiency of essential infrastructural facilities like a proper independent building, water supply, electricity, etc.

○ Primary Health Centre (PHC)¹⁴

Almost all PHCs have the provision for the necessary medical staff and they are also provided with residential facility so that the medical personnel can stay at the location and are available whenever required. However, in practice, medical personnel do not reside at the location in most cases. They generally commute from nearby urban locations since several modern amenities and conveniences for their family are available only at the urban centres as a result, healthcare services at the PHCs suffer.

The services of the PHCs suffer because in the absence of a regular doctor, the

paramedical staff or the ‘pharmacist’ who runs the medical shop outside the premises of a PHC provides medical advice to the visiting patients. This can and does considerable damage to the credibility of the public healthcare system at the block level itself. This has become a chicken and an egg situation, a study in 2016 found that despite the availability of state primary care centres and the competence of doctors in public sector, doctors in the public sector spent on an average only 2.1 hours a day seeing patients as fewer patients approached them.¹⁵ PHCs regularly procure medicine stocks from the district depot and maintain their own stock for patients. However, there are usually a number of medical stores selling a variety of medicines outside the premises of PHCs. This happens because the government stock of medicines is limited. The medical staff (if the doctor is not around) and the doctor often prescribe different medicines, generally not available in the government stock.

○ Community Health Centre (CHC)¹⁶

At tehsil level, this facility is more comprehensively provided by the state government with much better infrastructure compared to the PHCs. Each CHC is also supposed to have at least eight to ten doctors stationed within it. However, so many doctors at the tehsil level are not available in general. On an average, one finds about 50 percent of the sanctioned posts of doctors filled in CHCs. Different specializations like pediatrician, gynecologist, ENT, anesthetist, surgeon, etc. are available at

¹⁴ Appendix-1

¹⁵ <http://www.thehindu.com/news/national/Quacks-dominate-rural-healthcare-says-survey/article15425789.ece>

¹⁶ Appendix-1

CHCs. However, these doctors are not necessarily residing at the tehsil headquarters though residential facilities are provided to them. As a result, their services are hardly available during the night and the weekends. There are about 20 to 30 beds in a CHC, but the utilization rate is around 25 percent. CHCs have their own medicine stocks and generally get their stocks replenished from the district. The doctors also engage in their private practice and medical/sales representative do visit them regularly. CHCs are the referral medical facility and have to be well equipped with testing, diagnostic and curative facilities. Most of their patients come from the nearby villages and are referred to them by either the PHCs or local private practitioners when they have crossed the initial stages of their illness. There is, therefore, considerable opportunity cost incurred by the patients in coming to the CHCs. However, the required pathological and clinical facilities at CHC are of poor quality with no trained staff available to help them get the right medication. Very often they use the obvious option of referring the patients to the civil hospitals at the district or nearby towns.

- District Hospitals
These are the public healthcare facilities at the upper end for the rural population. Although they are physically located at the district headquarter, usually a town or a regular urban centre, they get most of their patients from the nearby rural areas being referred to them for advance treatment by PHCs, CHCs and private practitioners. Considering the abysmal condition of lower end facilities, the

public district hospitals are by and large overcrowded. Quality of the services suffers because of congestion.

b. Healthcare delivery¹⁷

- It has been found that the medical staffs at the PHCs have to enter into a long procedure and persuasive arguments to procure required physical and financial resources for the PHCs. The procedures are too bureaucratic, unable to accommodate for any emergency situations. Since the BMO and other medical staff of a PHC are doing their own private practice at different location, the issues get further complicated.
- The block medical officer (BMO) reports to the chief medical officer (CMO) administratively, and hence is required to provide a lot of administrative and statistical information from time to time on an urgent basis. This often provides an excuse for the medical staff at PHC to be officially absent from the block. Since BMO and other medical personnel in PHCs are formally in the government service, all the leave rules and service conditions of a government employee also apply to them. These rules have almost turned counter-productive for any essential services like healthcare.

- **Private Sector**

Since the government run healthcare system is in shambles, even the better off households are forced to make widespread use of the local untrained doctors. A survey across 100 villages published in October 2016 in MP found that seventy-one per cent of the health-care providers were in the private sector but only 51 per cent of them had any formal medical training. In terms of primary care visits, the private sector accounted for 89 per cent, of which 77 per cent were to the

¹⁷ Appendix-2

providers who had no formal training. In contrast, only 11 per cent of all primary care visits were to the public health sector and only 4 per cent were to providers with an MBBS degree.¹⁸

- There is a large dependence on the private healthcare system because of the following reasons:
 - Private providers — 70 per cent of whom didn't have any formal training — spent 1.5 minutes more with patients when compared to public providers.
 - 26 per cent of public providers gave a diagnosis, of which 15 per cent was correct. In the private sector, 43 per cent gave a diagnosis of which 13.5 per cent was correct.
 - The per-patient cost of the public health-care system was found to be at least four times when compared to a private system. However, as the findings indicate, the higher cost does not translate into better outcomes.¹⁹
- Private healthcare sector is largely unregulated and there is no gate-keeping on the standards of clinical practices adopted. Healthcare requires not only physical infrastructure and equipment, but also skilled and specialized human capital in the form of medical training and qualifications. Given the asymmetry of information between a doctor and his/her patient, low quality of medical consultancy not only lowers the efficacy of the health system but also endangers people's health.
- There is no system in place to collect data on a regular and standard basis from service providers; nor is there any periodic evaluation of health personnel on their technical competence and ability to provide medical care. While, on paper, inspection and supervision and visits to healthcare

facilities are provided for, there is little implementation.

Recommendations and suggestions for improving healthcare in MP

The Government's role in healthcare should be fourfold, namely, **facilitator, provider, monitor and regulator**. However, in the present scenario, the provider function overshadows all others, with resultant reduction in time-availability of the department for the other three important roles. The situation therefore calls for the government to propose organizational reform to effectively fulfil the other three roles.

Hence, I recommend the following:

1. PUBLIC PRIVATE PARTNERSHIP FOR IMPROVED HEALTH

Although the government employs qualified healthcare practitioners in many rural areas, the less than qualified providers (non-registered practitioners) predominate in rural areas. On an average, **70% of the first contacts for healthcare take place in private sector and it is also the predominant provider of curative healthcare**. Rich and poor often use private healthcare; poor often using the care from less than qualified private providers.

Given the numbers and spread of private healthcare providers in rural areas (often the less than qualified providers), it is obvious to **explore possibilities of the role the private sector can play for improved health in the state**. So far, the private health services have operated in isolation, with no or minimum control for quality. To address the issues related to access and quality of healthcare in private sector, government should put in place strategies and interventions to use the potential of the private healthcare sector for improvement in population (public) health. Government should put forward specific measures for encouraging public – private collaboration in the fields of immunization, reduction of maternal mortality and control of infectious diseases

¹⁸<http://www.thehindu.com/news/national/Quacks-dominate-rural-healthcare-says-survey/article15425789.ece>

¹⁹According to estimates by the study's authors, the cost per patient interaction in the public sector is around Rs.240 — billed not to the patient but to the exchequer — whereas the per

consultation fee was Rs.51 in the private sector. Source: <http://www.thehindu.com/sci-tech/health/In-rural-health-care-few-good-options/article16790613.ece>

(tuberculosis, leprosy etc.). Further, measures are suggested to use the human and financial resources of non-government organizations (NGOs) and private sector for management of some government owned facilities.

The following steps can be taken:

- Identify and create inventory by mapping all types of health services as well as social services providers operating already in Madhya Pradesh. Also, devise a sustainable system to update the inventory mechanism.
- Encourage and incentivize cooperative bodies, professional bodies (medical and nursing associations), NGOs, private and corporate institutions and charitable organizations to manage the government health institutions (on contract or other arrangements).
- Promote partnerships of various types and levels for effective provision of health services; like contracting out a semi-urban or an extremely rural PHC to NGOs / private sector / charitable organizations.
- Promote active involvement of the rural practitioners (less than qualified) / para-medical workers in rural and urban areas for national and state public health program through training and recognition.

2. AVAILABILITY OF DOCTORS

Madhya Pradesh needs to increase its supply of doctors urgently. There are a number of innovative strategies which have been implemented by some other states of the country which have faced similar challenges and issues in the provision of healthcare services.²⁰ For instance, Kerala recently launched the Aardram Mission, which seeks to improve the patient experience at government hospitals. Under this mission the government has introduced a three year bond for post-graduate medical students, which will require them to provide super specialist services in taluk and district hospitals. Though there are some challenges in the implementation of this bond, Kerala government has put in place incentives such as subsidized education in government medical colleges and universities for ensuring that this new provision works out seamlessly.

This practice of compulsory rural service bonds for doctors with specialisation has been implemented by the states of Gujarat and Andhra Pradesh as well. Some state governments also have the provision of location based recruitment policy. This policy provides 18 months of training in nursing and midwifery services to interested candidates and then places them in local health facilities in their geographical locations. This policy has been implemented in West Bengal.²¹

3. INFRASTRUCTURE/FACILITIES FOR MATERNAL CARE

Improving labour rooms and functional new-born units for tackling the issue of MMR and IMR has also been on the radar for a number of states and MP can draw some learnings from what has already been implemented. Since 2014, the Government of West Bengal in partnership with UNICEF has launched an initiative to restructure and improve the facilities and capacities present within a labour room to improve maternal and child health. ‘Transform Labour Rooms’ in hospitals is an initiative that aims to build the capacity of the staff, improve clinical and managerial practices and reorganise labour rooms, new born corners and, maternity units.²² A three day training session for the staff is organised which is then followed up with visits to ensure proper monitoring and evaluation.

The new National Health Policy focuses a larger role for the private sector (not for profit and for profit organisations) and reinforces its support through contracts and strategic purchases. A number of states have already made use of this provision and have signed MOU’s (Memorandum of Understanding) with NGOs and other private organisations. For instance, the State Government of Rajasthan is working along with the Tata Trusts and the Antara Foundation to improve the condition of maternal and child healthcare facilities through the ‘Akshada Project’.²³ The program focuses on two major areas; the crucial 1000 days between conception and the second year of the child and the capacity building of the ANM’s (Auxiliary Nurse Midwife), the ASHA’s and the Anganwadi workers. The program which started

²⁰Human Resources for Health in India: Challenges and Way Forward-
<http://www.ejmanager.com/fulltextpdf.php?mno=172231>

²¹ibid- <http://www.ejmanager.com/fulltextpdf.php?mno=172231>

²²ibid- <http://unicef.in/Story/1176/Transforming-Labour-Rooms->

²³ <http://health.economictimes.indiatimes.com/news/industry/mou-signed-with-tata-trusts-to-improve-maternal-child-healthcare/46441515>

from the Baran district of Rajasthan has now been expanded to other districts of the state as well.²⁴

Outside of India, Govt. of Mongolia which suffers from similar healthcare challenges conducted a short advocacy program on the needs of new born children among private sector representatives, such as local suppliers of wool, pharmaceutical and construction companies for raising awareness on the issue of infant mortality. A draft MOU has been signed between their Ministry of Health and the Employers Federation and Chamber of Commerce. Following this, essential commodities for newborns were provided to eighty hospitals and UNICEF focus areas. Midwifery kits which contained important items such as baby warmers were also provided. Since Madhya Pradesh also faces an acute shortage of essential facilities for new born children, it can follow this example and work with the corporate responsibility verticals of major multinational companies to deliver essential items for the care of new- born children.²⁵

4. INCREASING OVERALL EFFICIENCY OF HEALTHCARE SYSTEM

In 2014, the Uttar Pradesh government started a system of ranking the districts on the basis of health indicators for tracking the improvements made. Started with 28 indicators, the system is now evaluating the performance of the districts on the basis of 34 health indicators since July 2016. The indicators focus on family planning, maternal and child health, data quality of Health Management Information System (HMIS) and budget utilisation of National Rural Health Mission (NHM) funding. The district ranking aims at motivating district CMOs and DMs to prioritise improved health outcomes and to help establish broad responsibilities and accountability of population health outcomes.

The ranking of districts is broadly based on two indicators-input and output. Input indicators reflect the resources provided by the government like budget utilisation and construction while output indicators reflect the performance on the basis of service delivery like bed occupancy rate, percentages of institutional deliveries, beneficiaries of health schemes, fully immunised children, among others.

This has led to a concerted effort by public health officials to go after indicators that are significantly lagging behind. It has also put pressure on district officials to lobby and provide for adequate resources for their district. Madhya Pradesh can also institute such systems to align incentives across the health value chain.²⁶

5. WORKING OF ASHA, ANM, ANGANWADI WORKERS

Madhya Pradesh performs satisfactorily when it comes to the services rendered by the AAA's (Asha, ANM and Anganwadi workers).²⁷ However, there is still some scope for tightening and improving the work of the AAA's in the district. It has been noticed that due to the absence of a proper career path, the social workers often lose interest in the work which leads to absenteeism. The other issues faced by the ASHAs, ANMs and Anganwadi workers include lack of clarity in terms of responsibilities, the unavailability of drugs and insufficient training.

These grassroots workers are also very hastily recruited. Most of the times the ASHA workers are offered the job because they are either politically connected or come from economically well off families. As a result of which a number of candidates who are either very keen for the job or are in need of one are left out. It has also been pointed out that a number of ASHAs belong to the reproductive age group which is another major cause for their absenteeism. At the moment there is no government policy for making interim arrangements while the ASHA is on a maternity leave which then affects the health service delivery of the area she serves.²⁸

²⁴ The Akshada Project -

<http://www.hindustantimes.com/jaipur/akshada-project-to-be-scaled-up-vasundhara-raje/story-IE4EdIphuPtsVgD3tobbYM.html>

²⁵ Innovative Approaches to Maternal and Newborn Health- https://www.unicef.org/health/files/Innovative_Approaches_MNH_CaseStudies-2013.pdf

²⁶ <http://indiatoday.intoday.in/story/up-govt-ranking-districts-on-health-indicators/1/803768.html>

²⁷ National Rural Health Mission

Website<http://asha.mp.gov.in/ASHAWork_DistrictGrade.aspx>

²⁸ Factors affecting the performance of community health workers in India –a multi stakeholder perspectives <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4197397/>

Some suggestions to tackle the above mentioned issues faced by the AAAs:

- Creation of a proper career plan for all the social workers in consultation with capacity building organizations operating in the area.
- Instituting awards for best performing ASHA workers, district wise, in an effort to incentivize them to perform better.
- Creation of model Anganwadi centres district wise and showcasing them for training of other anganwadi workers. Special funds can be earmarked for model anganwadi centres, so that anganwadi workers have an incentive to get their centre accredited as a model centre.

6. SWASTHYA SAKHI PROGRAMME (COMMUNITY BASED HEALTHCARE MODEL TO FURTHER SUPPORT THE AAA'S)²⁹

The Rajiv Gandhi Mahila Vikas Paryojana is the flagship poverty alleviation program of the Rajiv Gandhi Charitable Trust (RGCT) which is committed to building and strengthening the community institutions of the poor. RGMVP has been focussing on social capital building of the poor women through SHG institutions. Under this programme various interventions have been launched such as the 'Swasthya Sakhi Programme'. This community based healthcare model is designed to address the issues of high MMR and IMR in identified villages which are higher risk. Swasthya Sakhi is one of the members in a self-help group. These volunteers (Sakhis) help women access their basic rights and entitlements, linking them to the existing state and non-state structure resources, like the Mahatma Gandhi National Rural Employment Guarantee Scheme and the National Rural Health Mission.

One Swasthya Sakhi is assigned to a village to spread health literacy and create awareness and help women during and just after their pregnancy. In a study undertaken on the Swasthya Sakhi Programme, it was found that the MMR had decreased significantly from 645 to 65 and the IMR

had come down from 40 to 9.7. This study was conducted in 22 blocks in Amethi, Uttar Pradesh. This intervention is funded by various philanthropic foundations such as the Bill and Melinda Gates foundation, The Public Health Foundation of India, USAID (United States Agency for International Development) among others.

A similar initiative can be put in place in Madhya Pradesh as well where the Swasthya Sakhis can aid the work done by the AAA's.

Conclusion:

Madhya Pradesh's public healthcare system lacks infrastructure and human resources to provide adequate healthcare services in rural areas. It is imperative, that the state leverages private sector practitioners and resources systematically to plug the existing gaps. Incentives and accountability also need to be aligned and fixed within the state bureaucracy for better health outcomes.

APPENDIX-1

Shortfall in Health Infrastructure as per 2011 population in India (As on 31st March, 2016)

S. No.	State/UT	Total Population in Rural Areas	Sub Centres				PHCs				CHCs			
			R	P	S	% Short fall	R	P	S	% Short fall	R	P	S	% Short fall
1.	Bihar	92341436	18637	9729	8908	48	3099	1802	1297	42	774	148	626	81
2.	Madhya Pradesh	52557404	12415	9192	3223	26	1989	1171	818	41	497	334	163	33
3.	Tamil Nadu	37229590	7533	8712	*	*	1251	1368	*	*	312	385	*	*
4.	All India/ Total	833748852	179240	155069	35110	20	29337	25354	6572	22	7322	5510	2220	30

Sub-Centres, PHCs and CHCs functioning as per IPHS norms

State	Sub Centres	PHCs	CHCs
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²⁹Detailed Project Report for Developing, Setting Up and Management of the India Health Portal to promote Health Literacy-

https://www.nhp.gov.in/sites/default/files/scnhp/detailed_project_report_of_nhp_for_psc_meeting.pdf

S. No.		Functioning	Functioning as per IPHS norms	Functioning	Functioning as per IPHS norms	Functioning	Functioning as per IPHS norms
	Bihar	9729	NA	148	NA	1802	NA
2.	Madhya Pradesh	9192	0	334	6	1171	0
3.	Tamil Nadu	8712	2854	385	338	1368	1271
4.	All India/Total	155069	21551	5510	1479	25354	5280

Status of equipment availability										
	State	Sub Centres			PHCs			CHCs		
		Available	Not Available	Partially Available	Available	Not Available	Partially Available	Available	Not Available	Partially Available
1.	Bihar	1726	1019	4126	413	200	605	413	200	605
2.	Madhya Pradesh	5691	294	2779	666	41	451	666	41	451
3.	Tamil Nadu	4964	470	3201	1186	49	538	1186	49	538
4.	All India	73396	9770	63582	14476	1347	10221	14476	1347	10221

Appendix-2

Status of Manpower at PHCs & CHCs							
S. No.	State	Doctors at PHCs			Total Specialists at CHCs		
		R	P	S	R	P	S
1.	Bihar	1802	1786	16	592	40	552
2.	Madhya Pradesh	1171	946	225	1336	289	1047
3.	Tamil Nadu	1368	2751	*	1540	76	1464
4.	All India/Total	25354	26464	3244	22040	4192	17854

A Study of the Female Labour Force Participation in India

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Abstract

This paper aims to investigate the contribution of female labor force in each sector of the Indian economy. It attempts to find the participation rate of women in primary, secondary and tertiary sectors as well as within the formal and informal sectors. It analyzes the changes in the participation rate of females' overtime in these sectors and explains the reasons for these changes. The paper then highlights the key areas to be worked upon to enhance the participation rate of female labor force in all sectors of the economy.

Key words: female labor force, participation rate, sectoral distribution, gender discrimination, female productivity.

I. INTRODUCTION

India is one of the fastest growing economy today in the world with a GDP growth rate of 7.5% in 2015. It is estimated to soon take over China in its economic development. With the percentage of working age population increasing currently, India is experiencing demographic dividend. With a decline in fertility and gender gaps, and an increase in education, it is puzzling to see a stagnant female labor pool. *The labor force participation rate is a ratio of female to male of proportion of a country's working age population that engages in the labor market, either by working or*

actively looking for work, expressed as percentage of the working age population. According to the World Bank report in March 2017, only 27% of Indian women are in labor force- which is the lowest among the BRICS Countries.

In 2016-17 proportion of women participating in the workforce was 23.7% as per the data by Ministry of Statistics and Program implementation. India ranked 136th among 145 countries in female labor force participation in 2016-17.

It is quite surprising to note that 48% of the transgenders above the age of 15 are working, while not even 30% of Indian females are contributing to the country's output.

Feminization U-Hypothesis:

The Feminization U-Hypothesis explains the declining trend in female labor force participation with an increase in development. As development increases, the income level increases and 'the male breadwinner' and 'family wages' ideologies tend to discourage female labor force participation.

Demographic changes- a fall in female fertility rate, increase in life expectancy and a decrease in size of families leads to increase in proportion of women in paid work. A higher proportion of workforce is then confronted with the competing demands of work and family responsibilities. Women face problems in

balancing paid work and family demands and ultimately opt out of the workforce. However, as the development process continues, with an increase in education substitution effect takes place. Female labor force participation increases with an increase in per capita income. Thus, the labor force participation curve for women is U- shaped.

Objectives of the study:

In this paper, we attempt to examine the proportion of females in the labor force since 1990s in various sectors of the economy and explain the reasons for changes in female participation rate. We also try to suggest some of the possible solutions to enhance the participation rate of female labor force in all sectors of the economy.

II. LITERATURE REVIEW

The present study is exploratory in nature and therefore relies on secondary data obtained from published sources.

Rahul Lahoti & Hema Swaminathan (2013) *contrary to the general theory of U-Hypothesis found in their paper that the decline in the female labor force participation in India is not a part of the “normal” development process, which will reverse itself with more growth, as has been experienced by many countries. It is however composition of growth that affects the female labor force participation rate in the country. Agriculture and manufacturing sectors are typically labor intensive but have not led the overall economic growth in India. The service sector*

has been the key driver of growth but requires high skills that majority of women do not possess.

Das S, Jain-Chandra S, Kochhar K, and Kumar N (2015) *found out in their paper that rising household income has a dampening effect on the participation rates of women. However, more flexible labor markets encourage female labor force participation.*

Khema Sharma *reasons the presence of 94% of total women workers in the informal sector to be gender discrimination and less economic and political support from the government. The paper highlights that the role of women in agriculture has changed little to manufacturing and assembly production; there has been mainly an extension of domestic work of women, like in garment industry and domestic help. The impact of globalization has not been much fruitful for the women.*

Ruchika Chaudhary & Sher Verick (2014) *concluded that gender inequalities are rooted in the policy and institutional frameworks that shape the employment opportunities of South Asia’s female labor force. Women continue to face many barriers to entering the labor market and accessing decent work, including care responsibilities, lack of skills, limited mobility and safety issues, among others. Women experience a range of multiple challenges relating to access to employment, choice of work, working conditions, employment security, wage parity, discrimination, and balancing the competing burdens of work and family responsibilities. In addition, women are heavily represented in the informal economy where their exposure to risk of exploitation is usually greatest and they have the least formal protection.*

Thus, *policy interventions should tackle a range of issues, including improving access to and relevance of education and training programs, promoting childcare and other institutional/legal measures to ease the burden of domestic duties, enhancing safety for women and encouraging private sector development in industries and regions that would increase job opportunities for women in developing countries.*

Kamala Kanta Mohapatra categorized the presence of women in various occupations under the informal sector like rag picking, domestic workers, vendors, beauticians, construction laborers, coolies and garment workers. The survey regarding the attitudes of family and employers towards work of the women, working conditions and background of women shows that women are vulnerable and easily exploitable in the informal sector. They face poor working conditions which also has hazardous effects on their health.

Dr. Geetika, Dr. Tripti Singh and Anvita Gupta reason the maximum prevalence of women in the informal sector to be the ease of getting employment in the informal sector because of little barriers of skill, training and other formalities which are required in formal sector. Moreover, it is mostly due to economic conditions rather than will to work which drives women into unyielding informal sector and thus, they face wage discrimination as well as undignified position in many occupations other than self-employed.

III. FEMALE LABOUR FORCE PARTICIPATION IN DIFFERENT SECTORS:

□ **Agriculture:**

Agriculture has been a major source of employment in India with its history dating back to Indus Valley Civilization. India ranks second in the world in farm output. However the share of agriculture to India's GDP has been declining with the country's economic growth. Based on 2011 World Bank data, *only 17.5% of India's GDP is accounted for by agricultural production.* Yet it employs about 50% of the workforce. It is interesting to then note the female labor force contribution in this sector.

In the history of agriculture, the role of females is not highlighted, despite them playing significant roles. They are treated as *invisible workers.*

According to an article published in Economic & Political weekly by Japan Jose Thomas, an overwhelming proportion of all persons who joined the agricultural labor-force between 1999-2000 and 2004-05 were self-employed females. Some scholars argue that they entered the agricultural labor-force to supplement the low household incomes, in response to distress conditions in countryside. On the contrary, between 2004-05 and 2009-10, close to 22 million women left agricultural work, of which 19 million were in the self-employed category. The steep decline in second half of 2000s was likely to be associated with some improvement in India's rural economy.

However, NSSO's 68th report states that 74.5% of females in rural India were involved in principal agriculture while 76.1% contributed to subsidiary agricultural produce. They are actively participating in agricultural development and making significant contribution in subsidiary branches of agriculture like food security, forestry, horticulture, processing, fisheries, etc.

They are involved in all aspects of agriculture, from crop selection to land preparation, to seed selection, planting, weeding, pest control, harvesting, storage, marketing and processing. Women possess detailed knowledge of agriculture and use of plant product for food and medicine. Rural *India is witnessing Feminization of Agriculture*.

However, despite their dominance, they still face disadvantage in terms of wages, land rights, representation in cooperatives and decision making. Many women also participate in unpaid subsistence agriculture. Their role is stereotyped to that of cultivators and child rearing. In addition to rigorous agricultural work, they are also responsible for feeding and managing the household. They spend the same amount of time as men carrying out agricultural work along with other activities and yet are disadvantaged in wages, earning only 70% of men's wage. Due to time allocation, daughters typically supplement or substitute for mother's unpaid work around the household, thus missing out on education.

The Mahatma Gandhi National Rural Employment Guarantee Act has produced a substantial impact on rural employment and rural wages but there is still a lot to be done to improve the current situation of low female participation in the economy.

□ **MANUFACTURING:**

Given the common perception of manufacturing sector being dominated by male workers, it is interesting to note the proportion of female workers in the manufacturing sector as a whole and identify the industries where significant contribution is made by the female workforce.

From the NSSO data, it is observed that on an average 20 percent of the females participated

in the manufacturing sector during the year 2000-01 to 2009-10. Thus, it can be observed that the manufacturing sector is majorly dominated by the male population.

Despite an improvement in female education, and women empowerment, and passing of laws to protect female workers at the workplace, nothing substantial has been achieved.

In manufacturing, women find employment increasingly as temporary or contract workers.

Sunita Sanghi, A Srija, and Shirke Shrinivas Vijay found in their study that there was a loss of jobs for women who were engaged in manufacturing from 12.7 percent in 1993-94 to 9.4 percent in 2011-12. This may be due to the decrease in demand for the products from traditional industries which led to the loss of jobs for women.

According to the Census data of industry wise variation in female workforce participation, more than 50 percent of workers in the industry of tobacco products, and textiles are females. Similarly, a significant proportion of females contribute to leather product related industry (31.58%) and food products industry (31.35%).

In Industries dealing with transport equipments, publishing, metal and manufacturing, machinery and equipment, coke & refined petroleum products, etc., female workforce participation is minimal. It may be said that industries like tobacco, textiles, chemical, food products, etc. where female workforce contribution is significant, provide a conducive nature of work for the female.

Studies have found that in families with low income, females are actively involved in the workforce. They are considered as an extra hand to earn income. There is also variation in female labor force participation rate across states in India. States like Kerala, Manipur, Karnataka, Sikkim and some others employ a decent proportion of females in the workforce. It is observed that states with high literacy rate are showing a trend of higher female participation in the workforce.

Over the years it has been observed that irrespective of sectors or geographic regions, the female workers are getting lower pay than their male counterparts. At an aggregate level, the female workers are getting on an average 48 percent lesser wages than that of male. Industries such as tobacco, textiles, chemicals and chemical products, leather, etc. have a high rate of wage differential. Those industries where female participation is high, wage differential is also high. Industries such as transport equipment, machinery, metal, coke & petroleum, etc. with a lower female participation rate have lower wage differential.

Factors such as degree of industrialization, social belief and norms, availability of employment in informal and services sector, wage differential, etc. effect the participation rate to a great extent.

The Government of India has implemented many laws and policies for the protection of females at the workplace. Some of them include Maternity Benefit Act, Sexual Harassment of Women Act (Prevention, Prohibition and Redressal) Act, 2013, National Commission for Women Act, 1990, Equal Remuneration Act, 1976, The Factories Act, 1948, etc. However, proper policy implementation and planning needs to be done to increase the bargaining power of the female

workers, thus incentivizing them to join the workforce.

□ **SERVICES:**

As the economic growth of a country progresses, the share of employment in the agriculture declines while that of industry and services increases. This is the normal trend that has been observed worldwide. However, in India and other South Asian countries, these changes has been gradual. Although there has been a favorable shift in employment towards the services and industry sector in the recent years, agriculture today still employs majority of the working population.

Services sector in India covers a wide range of activities, including financing, hotel management, trade, transport, real estate, insurance, and many others. Although the employment in the services sector is comparatively low, it still dominates the Indian economy. In recent years, it has attracted significant foreign investment flows, and contributed to exports as well.

According to NSSO's 68th report, the share of female labor force in the services sector has increased from 2000 to 2011. However, the increase in the share has been very less, given the growth of the services sector in these years. Only 17.2% of female workers were employed in the tertiary sector in 2011-12. This figure is very low in comparison to 30.5% of male population working in the services sector, when female empowerment and equality has gained such popularity.

This low share of participation by female workers can be accorded to reasons such as old and rigid gender norms, wage differential, workplace exploitation, lack of employment opportunities, less technical knowledge and others.

Women are viewed as care-givers while males are considered to be the 'breadwinners' for the family. Thus, work done by women is not recognized and is considered secondary. This loss of recognition also leads to a huge wage gap between the two genders. In rural areas, with an increase in development, income level of households increases, thus leading to income effect. With an increase in income, women no longer prefer to work as an unpaid or casual worker unless the work is remunerative. However, such employment opportunities are limited in rural areas causing women to drop out of the workforce.

However, in recent years, Indian women are leading the charge in sectors like financial services. While only one in 10 Indian companies are led by women, more than half of them are in the financial sector. Today women head both top public and private banks in India.

IV. PARTICIPATION OF WOMEN IN THE FORMAL AND INFORMAL SECTOR

The concept of the informal sector was introduced into international usage in 1972 by the International Labor Organization (ILO) in its Kenya Mission Report, which defined informality as a "way of doing things characterized by (a) ease of entry; (b) reliance on indigenous resources; (c) family ownership; (d) small scale operations; (e) labor intensive and adaptive technology; (f) skills acquired outside of the formal sector; (g) unregulated and competitive markets". But the definition of informal sector has been evolving overtime. In 2003, the International Conference of Labor Statisticians (ICLS), held in Geneva, defined new concepts related to the informality of employment. The main achievement was to develop guidelines for a

new conceptual framework which distinguishes between informality from the perspective of production units as observation units on the one hand and that of jobs as observation units on the other. While the informal sector refers to informal enterprises, informal employment refers to informal jobs. ^[1] Employment in the informal economy can be defined as the sum of employment in the informal sector and informal employment found outside the informal sector.

Persons employed in the informal sector (including those rare persons who are formally employed in the informal sectors):

- Employers in informal enterprises;
- Employees in informal enterprises;
- Own-account (self-employed) workers in their own informal enterprises;
- Contributing family workers working in informal enterprises; and
- Members of informal producers' cooperatives.

Persons in informal employment outside the informal sector, specifically:

- Employees in formal enterprises not covered by social protection through their work;
- Paid domestic workers not covered by social protection through their work; and
- Contributing family workers working in formal enterprises.

As discussed with some cleaning staff women, for empirical escalation of understanding about the informal employment, it was found that these women were not provided with any social security schemes and other employment benefits. Moreover, they have to work to support their family. Even after working as cleaning staff in a government college, these women are informally employed. One of the workers also complained that she could not study and had to start working to earn for the family which shows one aspect where women

are not able to get skills to get a better job and higher prospects of earning.

As per a research report by Women in Informal Employment: Globalization and Organization department under International Labor Organization, the informal employment, as a percentage of non-agricultural employment, ^[2] is 84% in India. It is observed that the men have a higher aggregate share in the informal sector employment than the women. Moreover, the men are employed more in the informal sector whereas women have a significant participation in the informal employment outside the informal sector. However, there are a few areas where the women have a large share in the informal sector.

The areas in which the women have relatively larger share than other areas of informal sector are:

1. **Construction labor:** The women usually carry the construction materials to the construction site on their heads whereas the skilled/semi-skilled work is mostly done by the male workers. Both have almost an equal participation in construction work.
2. **Domestic workers:** It is a highly female dominated area under the informal sector. This may be due to the stereotype that the women should do household chores and thus, be a domestic aid and help the women of the house they work in.
3. **Garment workers:** Women in this area are involved in knitting, sewing, weaving etc. along with the tailoring men.

4. **Vendors:** Women are engaged in selling varied commodities like broomsticks, bangles, cane baskets, vegetables, utensils, petty cosmetics and run tea stalls etc.

5. **Sales girls:** Women are often seen selling daily use products from door-to-door and are also handling shops which sell mostly stationary material, groceries and women related commodities like cosmetics, jewellery etc.

According to the NSSO report (various rounds- over a long period of time), the informal employment increases overtime along with the estimated population and labor force, while the formal employment decreases in recent years. The informal sector in India consists of around 92% of the labor force. 94% of the total women workers are engaged in the informal sector, of which, 20% are in the urban areas. Employment opportunities in the formal sector are often denied to women because of family responsibilities, lack of skills, social and cultural barriers; the informal sector is often the only possibility for women to get access to employment and to earn an income. Consequently, women dominate the informal sector. Policies and developments affecting the informal economy thus have a distinctly gendered effect. The informal sector has a high labor-absorption capacity and there is the need to increase the level of stimulation of employment opportunities.

V. REASONS FOR LOW PARTICIPATION RATES OF WOMEN:

As noted above, agriculture sector still continues to employ a larger proportion of women workforce, in comparison to manufacturing and services sector in rural

areas. However, broadly speaking the contribution made by females to the various sectors over the years is disappointing. Female labor force contribution has stagnated in the phase where the country is realizing demographic dividend. Some of the possible reasons for such declining participation rates in rural and urban areas are listed below:

- **Availability of non-farm job opportunities:** There are very few non-farm job opportunities for women in the rural area. Women have to take care of their household as well and prefer part-time work due to time constraint. Thus, they tend not join the services and manufacturing jobs. Moreover, educated women can't find jobs that suit their preferences as most of the work is unrecognized and underpaid. Consequently, they drop-out of the workforce.
- **Denial of jobs & Jobless growth:** There are very few job opportunities because many women are also denied jobs on the basis of age, marital status, education and skills. Married women are less preferred because employers have concerns regarding their productivity. They are considered less efficient as their time and attention gets divided between the work and managing family. Similarly, younger women are more preferred in comparison to middle aged women. Also, the rate of creation of jobs has not been in pace with the economic growth, causing a high competition and women losing out on opportunities. Furthermore, during the time period 1998-99 to 2004-05, the employment increased mainly because of self-employment of women but decreased in the second half of the 2000s since the incomes rose in all sectors, thereby compelling women to opt out of workforce.
- **Employment in informal sector:** Women do not have enough skill set so they end up working in the informal sector since the informal sector absorbs the unskilled workers. Moreover, women are employed here as they are more vulnerable and easily exploitable. This causes them to get lesser wages which makes them incapable of getting a better job or higher skills. This creates a vicious cycle.
- **Income effect:** Women participation is higher in rural areas as compared to the urban areas because they work due to poverty. Most of them are employed not because they want to work, but because they want to increase the income level of the household. Now with an increase in development, as income of male member increases, women have less incentive to work and they quit their jobs to look after the family. The same explanation applies for women in the urban sector as well.
- **Social beliefs:** Female labor force participation in India is also dependent on the social norms and beliefs of the families. In many households in India, people consider it humiliating that females are stepping out of the house to work and are earning a higher wage than their male counterparts. They stereotype males as the 'bread-winners' while the females as 'care-givers' who are only fit for providing for the needs of their families.
- **Stereotyping of occupations:** Certain industries such as food and basic agriculture, handicrafts, sales, etc. are considered to be meant for women. This reduces opportunity of employment in other sectors of the economy.
- **Wage differential:** In the era of gender equality, where we are talking about women empowerment and equal remuneration,

majority of the women are dis-incentivized to work due to a high wage gap between the two genders. Women in India are paid only 70% of men's wage, in spite of them doing the same work and sometimes doing it even more efficiently.

- **Free Trade Agreement:** In recent years, the Indian economy has opened up and has signed several trade agreements with other countries. Although undeniably this has led to economic growth and development, it has also caused loss of jobs for women who were engaged in manufacturing due to increasing imports.
- **Technological backwardness:** With the opening up of the economy, technology has improved in the country and production processes have become more productive and efficient and less labor intensive. However, females especially in the rural areas lack in technical and vocational skills, thus failing to adapt to the changing work conditions and high skill requirement. Consequently, they lose confidence and tend to join low skilled work with a lower wage.
- **Work Environment:** Working conditions impact the employment to a great extent. It motivates the worker to contribute more efficiently. In India, it is also one of the major determinants of female labor force participation. Factors such as location of the workplace, working hours, number of men in the office and exploitation play a huge role. They are skeptical to work at a secluded place during evening due to concerns of safety. Due to proper implementation of female labor protection acts, especially in the informal sector, the dropout ratio is high.
- **Improper implementation of protection acts:** The Government of India has passed

several acts and policies to protect the interest of females at the workplace. Some of them include Maternity Benefit Act, Sexual Harassment of Women Act (Prevention, Prohibition and Redressal) Act, 2013, National Commission for Women Act, 1990, Equal Remuneration Act, 1976, The Factories Act, 1948. Maternity benefit act grants women the right to avail 12 weeks leave to look after the child. Similarly, sexual harassment of women act aims to protect women at their workplace. However, policy implementation has been a major challenge. Not all the employers adhere to these laws which pose a threat to women security and rights.

- **Absence of Cooperatives and Trade Unions:** Cooperatives and trade unions are seen as social institution providing partnership, protection and solidarity to labor. In many cases, women only cooperatives are critical in fighting for empowerment and equality for women. However, women are sometimes barred from participation in trade unions. Their participation is very low in such institutions. As per data, only 7.5% women are registered with authentic trade unions.
- **Measurement Issues:** In India, many women prefer home-based work, which help them carry their domestic responsibilities. Thus, women employment may be undercounted as there are difficulties in measuring in paid versus unpaid work.

VI. KEY AREAS FOR IMPROVEMENT:

The first step towards policy recommendation is to know the needs of the women and mould these needs into the motivation for them to enter the labor force and participate more

actively in the economy. Some such policy measures which can be adopted are as follows:

□ Short term investments and policy implementations for the existing women to contribute better:

1. Building up of crèches at the work place.
2. Menstrual leaves for women- this would help the women to work in their productive days and be more efficient. One argument that arises is that it would lead to lesser work done by the female in comparison to the male counterpart. This can also be tackled if the women work for a bit more time every day in lieu of her menstrual leaves.
3. Maternity as well as paternity leaves- It is argued that due to the maternity leaves, the hiring of women is skeptical and male is given the preference. If paternity leaves are provided for an equal time period, this would partially make the male preference less attractive.
4. Flexible working hours- it would help the female to contribute with efficiency and not restrict her from working.

5. Transportation Facility improvements- The workers should be provided good transportation facilities which would make the women have a safer option to travel to the workplace.

6. Demography of work place- the government should incentivize the various male dominated sectors of the society to have female participation. For example- transportation sector is highly male dominated. Females should be encouraged to be drivers, mechanics and guides by providing them incentives in skill and subsidies.

□ Long term investments and policy implementations to boost the female labor force participation:

I. *Education and awareness*- Many women and girls even now are out of the purview of education because of the lacking sanitation facilities and safety problems. Their concerns should be immediately addressed.

II. *Vocational skills*- The lack of skill is one of the biggest reasons for female dropouts and low participation rate in India.

They must be provided with adequate skills for each job profile.

III. *Women Entrepreneurship-*

It is one of the most important steps for the women to come in the forefront and hold elite positions to set examples for the society. Women should be incentivized by providing concessions, tax holidays, easy credit facilities etc. to encourage their participation and not just be passive job takers but also as job creators.

IV. *Extend social protections,* especially to those in poor households or those working in the informal economy, including in regard to work safety, health services, pensions and income security.

V. *Promote non-discriminatory practices* at the workplace, including on pay and career progression.

VI. *Address legal, regulatory, cultural and behavioral barriers* to employment opportunities for women.

VII. *Reservation-* It is extremely important for women to hold power to represent their challenges and hardships for which

reservation for women should be one of the immediate steps of the government.

VIII. *Non-farm activities in the rural areas-* Since the rural areas are largely dominated by agriculture; the work by women is not accounted for. Promoting newer opportunities by boosting the non-farm sector in rural areas like shops, factories, industries etc. This would provide an opportunity to both the men and the women to have greater participation and income.

IX. *Unions and cooperatives-* Only 7.5% of the women in the labor force are a part of some registered authentic trade unions. This figure needs to go up to reduce the exploitation of the women and they also need to create their own unions for a better say in the work environment.

X. *Policy implementations-* Social security benefits for women and men alike- this would lead to dilution of male preference and wage equalization should be kept under check. There are various progressive laws but the implementation, vigilance and the legal

systems loopholes lead them to not translate into better results. This needs to be reversed by setting up of independent vigilance commission for implementation of these laws.

XI. *Formalization of the informal sector-* By bringing the informal sector under the formal sector, the social security benefits and other career opportunities would be available for both men and women. This should be done by encouraging the informal enterprises to adopt legal standards by easy regulation and flexible labor laws.

NOTES:

^[1] Employment in the informal sector and informal employment refer to different aspects of informality. Employment in the informal sector is an enterprise-based concept and covers persons working in units that have “informal” characteristics in relation to, e.g., the legal status, registration, size, the registration of the employees, their bookkeeping practices, etc. Informal employment is a job-based concept and encompasses those persons whose main jobs lack basic social or legal protections or employment benefits and may be found in the formal sector, informal sector or households. Almost all persons employed in the informal sector are in informal employment. However, not all those in informal employment belong to the informal sector: there may be persons working outside of the informal sector (i.e.,

either in the formal sector or in households producing for own final use) that have informal employment.

^[2] Currently, data on agriculture is not included. Since lack of social protection characterizes much of agricultural employment, this continues to be a key goal for future work on measuring the informal economy. In this sense, it can be assumed that much of agricultural employment is informal, and it is important to note the relative size of agricultural employment in different countries when considering the prevalence of informal employment relative to total employment.

VI CONCLUSION

It has been observed in the paper that female participation rate in the labor force has been stagnant. A tall hurdle for labor market modernization in India is the extremely low rate of female labor force participation. The numbers of missing women in India-women who withdrew from labor force and engage only in domestic duties - was a staggering 216 million in 2009-10.

Although with increasing skills and education level, young women are motivated to contribute to the economy, still a lot is left to be done. The sheer absence of gainful employment opportunities is likely to be the factor most constraining female participation in the workforce. India is realizing its demographic dividend and it is imperative to make efficient use of human resource in the country, if we want to overtake China in economic development.

Figures show that in India, proportion of females in the rural areas is much higher than in the urban area. Although the share of agriculture to

the country's output is lesser than services and manufacturing sector, agriculture continues to employ majority of the population with the highest female work force ratio. Manufacturing and services sector have low female participation rates and policymakers should take a comprehensive approach to improve labor market outcomes for women through improving access to equal wages, health and sanitation, and relevance of training and education programs, skill development, access to child care, maternity protection, and provision of safe and accessible transport along with the promotion of a pattern of growth that creates job opportunities.

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The Economics of Venezuelan Crisis

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Introduction

Venezuela is an oil-rich country in South America, with the world's largest oil reserves. Currently, the country is suffering from the worst socio-economic crisis in its history. The crisis, in part, has been a result of policy decisions of the socialist government of former president Hugo Chavez which extended into the government of the current President, Nicholas Maduro. A significant role has also been played by other external factors like the performance of the world economy, oil prices and an arguably hostile international environment.

Political Background

Venezuela is split into Chavistas, the followers of the socialist policies of the late President Hugo Chavez, and those who cannot wait to see an end to the 18 years in power of his United Socialist Party (PSUV). After the socialist leader died in 2013, Nicolas Maduro, also of the PSUV, was elected president on a promise to continue Mr Chavez's policies. The opposition says that since the PSUV came to power in 1999, it has eroded Venezuela's democratic institutions and mismanaged its economy. Chavistas in turn accuse the opposition of being elitist and of exploiting poor Venezuelans to increase their own riches. They also allege that opposition leaders are in collusion with the United States, a country with which Venezuela has had troubled relations in recent years. However, there has been a certain chain of events that has led this simmering division to erupt into a full-blown crisis. Maduro has not been able to inspire Chavistas in the same way his predecessor did. His government has been hampered by falling

oil prices. The lack of oil revenue has forced the government to curtail its social programmes, leading to an erosion of support among its core backers.

Intensification of the Crisis

A series of events has further heightened tensions between the government and the opposition and led to street protests. Instability and political turmoil reached a peak on March 30, 2017, when Venezuela's Supreme Court magistrates, aligned with the Maduro government, ruled that it will take over the opposition-led Congress' legislative powers, in a move condemned by opposition parties as an attempt to install a dictatorship.

Key Factors-

Plummeting Oil Prices- Venezuela depends heavily on its oil. Oil revenue has sustained Venezuela's economy for years. The revenue was used to finance social programmes and food subsidies which became unsustainable when the price of oil fell. In recent times, the price of oil, Venezuela's only significant export, has plummeted, implying revenue could fall by 40 percent this year. The government's huge borrowing, partly a legacy of the years when oil prices were far higher, has helped bring the crisis to a head because Venezuela now has far less money to repay its foreign debt, forcing Maduro to slash imports in order to avoid default.

Shortages – During the rule of Chavez, the price of key items, food and medicines were reduced. Products became more affordable but they were below the cost of production. Private companies were expropriated, and to stop people from changing the national

currency into dollars, Chavez restricted the access to dollars and fixed the rate. When it became unprofitable for Venezuelan companies to continue producing their products, the government decided to import them from abroad, using oil money. But oil prices have been falling since 2014, which has left the economic system unable to maintain the system of subsidies and price controls that functioned during the oil boom years. The inability to pay for imports with Bolívares (the Venezuelan currency) coupled with the decline in oil revenues has led to a shortage of goods.

Hyperinflation- The cost of foreign goods has soared in Venezuela, which is importing far less as part of Maduro's effort to conserve dwindling central bank reserves. The government has sought to soften the impact by raising wages and printing more bolívares, the national currency. But that is a recipe for inflation, creating too much money chasing too few goods. By some estimates, the inflation rate could reach nearly 1,600 % in 2017, from 424.2% in 2016.

Currency Mismanagement- The problem stems from the coexistence of three different exchange rates, and the massive gap between the lower of two official rates and the black market, or parallel, rate.

The lower official rate is set at 10 bolívares/dollar, a jump from 6.3 Bs/dollar earlier in 2016. This rate is used for "essential imports" such as food, medicine, and material inputs needed for domestic production of key goods. Until recently the vast majority of legal foreign transactions took place using this lower rate. There is a second official rate known as the DiCom, which has risen in a "managed float" from a rate of 200 to 640 Bs/dollar since March 2016. Finally, there is a fluctuating black-market rate, which has risen enormously over the past several years. This

rate is over 1,000 Bs/dollar and reached a high of 1,211 Bs/dollar in March 2016.

The huge difference between the lower official rate and the black-market rate has generated several problems. It has created immense incentives for corruption among businesses and state/military officials who are provided dollars by the government at the lower official rate. These businesses and officials often trade these dollars on the black market in order to make obscene profits.

Corruption- Corruption in Venezuela is high according to Transparency International's (TNI) Corruptions Perceptions Index. In the case of Venezuela, the discovery of oil in the early twentieth century has worsened political corruption. While corruption is difficult to measure reliably, Transparency International currently ranks Venezuela as the 8th most corrupt nation in the world. Discontentment with corruption was cited by opposition groups as one of the main reasons for the 2014 Venezuelan protests.

Effects on Growth Indicators-The economic indicators of Venezuela have been the worst hit after the crisis. To put things into perspective, an economy that was thriving until 2012 has lost a third of its GDP in five years and is now dangerously close to defaulting on its foreign debt. The 2016 estimates are-

GDP (purchasing power parity): \$427 billion

GDP – real growth rate: -18%

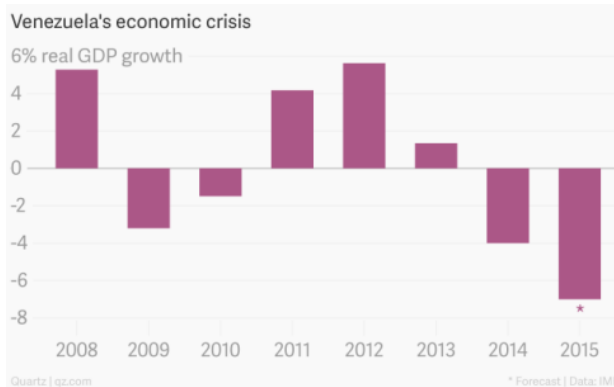
Industrial production growth rate: -8%

Unemployment rate: 15.5%

Budget: revenues: \$98.81 billion

expenditures: \$236.6 billion

Inflation rate (consumer prices): 422.2%



Human Development Indicators-As of 2016, the HDI of Venezuela is 0.767, and it ranks 71st in the world out of 188 countries.

Life expectancy at birth: 74.4 years

Inequality adjusted HDI: 0.618

Gender Development Index: 1.028

The human development indicators have not been greatly affected by the crisis. This could be understood from Venezuela's strong performance in these parameters in the past, which has resulted in a robust culture of welfare performance in the country. However, if the crisis is prolonged for many years, these indicators may be adversely affected.

The Way Ahead

The government has announced that it would raise fuel prices and devalue its currency as

part of a series of measures to improve its flailing economy. While these measures are a step forward, there is much more that needs to be done. Venezuela has funds to ensure that most citizens have access to necessities at affordable prices. So, it is possible to set up a food-stamp-type system under which people are protected from price increases, and shortages are eliminated. Once this system is in place, the government can unify the exchange rate which has been causing an inflation-depreciation spiral since 2012. The rising black-market rate increases inflation, which then feeds back into the price of the black-market dollar, in a continuing vicious circle. The best way to break this cycle is to allow the currency to float.

The government will have to take additional measures to bring down inflation, and there are many other policies that can contribute to economic growth and development. But first the economy has to be stabilized, to put an end to balance of payments crises and chronic shortages, as well as the recession, that has plagued the country.

Right to Privacy

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Rarely does a Supreme Court judgement garner as much attention from the media and masses alike as it did on the August 24th 2017. The SC's verdict that pronounced the right to privacy as a fundamental right embedded in the Right to Life and Liberty as stated in the

Indian Constitution set a legal precedent in many ways.

While the court declared privacy as a fundamental right, overturning the previous rulings in the M.P. Sharma and Kharak Singh case, the right was not appraised as being absolute and would be subject to several

restraints. The bench also left the various entitlements which must be covered under the umbrella of Right to Privacy to be enumerated by the future judges depending on the situation and time, thus leaving room for sufficient interpretations and debate.

National security has always trumped the need for protection against civic liberties. This verdict has posed serious questions on the rapid roll out of AADHAR, a biometric database of 1.17 billion Indians created by the government to facilitate the benefits of the schemes and subsidies to the poor. The court stated its apprehensions regarding the leakage of personal information which could be largely misused. This decision will act as a deterrent in the government's agenda of making AADHAR mandatory and the prime document for identification until the government can convince the court that the implementation of Aadhar is in sync with the notion of privacy.

In the digital age, with the commodification of data, this judgement arms the common man against any misuse of information by the state or the private players. As the judgement calls out for informational privacy as a facet of the right to privacy, the government would now be forced to come up with a robust data protection plan.

This decision would significantly impact the curative petitions against Section 377 of the Indian Penal Code, which criminalises consensual sexual acts of the LGBT adults in private. The nine judges have held that sexual orientation is a matter of private space for any individual and any discrimination against it, of whatsoever form, shall be deeply offensive to the dignity of the individual. A legal recognition of the Right to Privacy has given the sexual minorities a new ray of hope in their battle against such stringent legislative provisions.

This right will also have far reaching consequences for protecting the autonomy of women. The judgement can be viewed as a step in the direction of criminalising marital rape: it recognises bodily integrity as a part of one's right to privacy. Standing by "personal choices governing a way of life are intrinsic to privacy" the apex court opens an avenue for challenging judgements which disallow the abortion of foetuses conceived via rape or sexual coercion.

The declaration of privacy as a fundamental right, bears heavily on each citizen's life. The verdict, will be put to test post-petition hearings. Nonetheless, it stands as a historic judgement, demonstrating the judiciary's strength as a pillar of democracy.

War in Darfur

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In February of 2003 the world witnessed the beginning of what was to become one of the longest and most heinous genocides ever. Darfur- a region in Western Sudan- saw the systematic oppression of its non-Arab

population by the Arab-led government. The Sudanese government was directly involved in a variety of human rights violations in the region; as men, women and children were killed and raped and their houses were burnt.

The belligerent ethnic cleansing by the authorities was met by opposition from the marginalized non-Arabs. In response, the government hired Arab militia known as Janjaweed to carry out the ruthless massacre of the rebels. While the socio-political aspects of this conflict have been discussed on various platforms, it is even more crucial to understand the economic costs as well as implications of the war in Darfur.

The greatest cost of the conflict has been the increasing pressure on scarce resources, since the war has been responsible for various setbacks in development of the already backward region of Darfur. There has been a rising competition among various groups-existing not only in and around the region, but also outside it- for control of the available resources in the area. Although the non-Arab rebels have paid a higher price for the war, the government has also incurred its share of losses. For instance, the rebels attacked the air force base, thereby, severely hampering the economic interests of the government.

Land is the primary source of livelihood for the people of Darfur since majority of the people are either farmers or pastoralists. As the conflict intensified, it became more and more difficult for the marginalized sections to have access to land. This resulted in their further oppression, as many of them were unable to even meet their basic necessities. Denial of access to land also meant the absence of income for a large section of the population. Traditionally, different tribes would enter into a mutually benefiting arrangement of sharing land. However, the new state laws altered this by introducing exclusive individual control, foreign investors and market mechanisms.

All these new elements disrupted the long-standing goodwill and cooperation amongst the different tribes and ended up pitting them

up against one another. A more feasible alternative would be to draft a plan which serves everyone, by drawing upon the historical interdependence of tribes. This would not only balance the interests of competing groups, but also provide for a mechanism which allows for quick and effective resolution of disputes concerning land and other resources.

Many believed that the recent discovery of gold in North Darfur would emerge as the saviour of the people by creating new avenues of employment and a steady flow of revenue. However, this was far from what actually happened, as a new conflict broke out over the gold mines amongst the tribal militia groups, as a result of which none of the benefits created by the gold mines trickled down to the local people.

Genocide in Darfur is financed by the National Islamic Front, which has continued its atrocities against the non-Arab population despite an ever growing external debt. The NIF can carry out its actions without any fear of penalization because of growing interests of European and Asian companies in Darfur's oil reserves, as well as, because of lack of meaningful international intervention.

80% of Darfur's oil exports are received by China- which is also one of the key economic and political players in Sudan. Even though it was only in 1999 that oil revenues started flowing in, Khartoum had been engaged in trade with China much before that. Future oil and its benefits were promised in exchange for Chinese arms. Therefore, China played a major role in arming the Janjaweed, in a bid to promote its own economic interests, and in the process, chose to ignore the human rights violations carried out by the Sudanese government.

Additionally, China repeatedly blocked efforts at the UN to classify Sudan's actions as

genocidal and has also built roads and airfields in oil-producing regions. These air fields are then used by the Sudanese forces to launch attacks on unsuspecting tribes.

The reason that China has chosen to turn a blind eye to Omar al-Bashir's government's actions is that Sudan is the answer to China's growing oil demand since China can no longer depend on Iraq after the US invasion and it has been outbid by Japanese companies in Russia. Therefore, Sudan, despite its impending ethnic strife is China's largest and most dependable supplier of oil.

Even after almost fifteen years, the conflict in Darfur has not faded away completely. Even though there is no full-fledged war going on, there are some small engagements between the Arab militia and the non-Arab tribes that occur frequently. In order to bring peace and prosperity to Darfur once and for all, there must be meaningful international action as well as economic pressure on the NIF from the international community as a whole. There is also an urgent need to end the monopoly over

oil reserves, of ruthless survivalists and international companies looking to make profits, and direct the profits generated towards the welfare of the villagers of the region.

America and the Marketplace of Ideas

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In 1906, Evelyn Beatrice Hall wrote in *The Friends of Voltaire*, "I disapprove of what you say, but I will defend to the death your right to say it."

This quote, often erroneously attributed to Voltaire, is a representation of "Voltaire's attitude" towards freedom of speech, and is a rather cleverly constructed sentence that attempts to gather the multitude of opinions on this subject into a neat package wrapped with a bow on top. It refuses to sully itself with mere considerations of the various caveats that

usually come with such a statement, almost seeming to revel in its moral absolutism and exactitude.

Any discussion about rights in general and the right to freedom of speech in particular, is sure to come with various concessions and warnings, lest they be exploited. Article 19 of the United Nations' Universal Declaration of Human Rights which provides for the freedom of expression to be recognised as a human right, warns that this freedom is not unconditional. Included in this section are the

words, "(this right to freedom of expression may) therefore be subject to certain restrictions..... (when necessary) for respect of the rights or reputation of others..... (or) for the protection of national security or of public order, or of public health or morals".

This is simply an extrapolation of the well-known adage, 'Your rights end where mine begin', which would take one back to the parable of the man with a penchant for individual liberty and swinging his arms. The oft-repeated story, which has its origins in 19th century America goes thus: this man, who was arrested for swinging his arms and hitting another in the nose, asked the judge if he did not have a right to swing his arms in a 'free' country. The judge promptly replied, "Your right to swing your arms ends where the other man's nose begins", giving rise to this aphorism.

If one were to translate the judge's perspicacious argument into the context of free speech, what would it be? Would it come to mean that unfettered, uncensored speech is the veritable fist that renders noses bloodied? Can words do that? Of course they can. Words, being the carriers of human thought, the vehicles that traverse across the unyielding terrain of human interaction, hold immense power. They can dismantle as well as they can build; destroying and creating with equal ease. The most successful leaders of our time have been effective orators, spinning stories of guile with the golden thread of their words. A case in point, of course, is the original Führer, Adolf Hitler. Closer to home, Prime Minister Modi is starting to become a serious contender for a similar title.

It is perhaps an ode to the sheer power of words, that we debate about free speech and expression in the first place.

But I digress. Let us turn our attention once again, to that great (decidedly) capitalist

nation, America. The safeguard for the freedom of expression in the US is the First Amendment of the Bill of Rights of its constitution. Adopted in 1791, the First Amendment is an interesting piece of text. A part of the Bill of Rights, it sets into the place the idea that the government cannot make a law, "abridge the freedom of speech or of the press". While the founding fathers of the United States did not elaborate upon what they meant by the wording of the Free Speech clause of the First Amendment, subsequent cases in various courts, including the Supreme Court have helped delineate what it can imply.

There are various kinds of speech that are protected under the First Amendment. This includes political speech, which is speech critical of the government and is accorded almost the highest level of protection.

Another kind of protected speech is symbolic speech, which includes protest arm bands, signs, or even acts such as burning the American flag. According to a Supreme Court ruling that was pivotal in establishing the law pertaining to flag desecration, "if there is a bedrock principle underlying the First Amendment, it is that government may not prohibit the expression of an idea simply because society finds the idea offensive or disagreeable." This vital statement conveys that the right to freedom of speech includes the right to offend, which has a number of compelling implications for the debate around free speech. What is again noteworthy is the fact that there is no clear indication about who decides what 'offensive' or 'disagreeable' means. Does the judicial system become the custodian of morality, deciding where offensive begins? Interestingly enough, a Supreme Court Justice wrote about the aforementioned in the judgment for a case involving political speech and the use of an expletive, "one man's vulgarity is another man's lyric".

From offensive speech, we come to hate speech, which is another kind of speech protected by the First Amendment. Hateful ideas are as protected by the constitution as any other ideas. In fact, American law is more unregulated in terms of hate speech, as compared to many other modern democracies. Various cases in the Supreme Court have led it to hold that hateful or inflammatory speech cannot be punished, unless it is “directed to inciting or producing imminent lawless action and is likely to incite or produce such action.” This means that any speech that is disparaging towards a particular race, religion, ethnicity, gender, sexuality or disability is protected under the First Amendment, as long as it does not produce 'imminent lawless action'.

However, in this day and age of political correctness and micro- aggressions, how does this rather absolute notion of free speech reflect in society? A survey conducted in 2017 by American libertarian think tank Cato Institute showed that 71% of Americans felt that political correctness was silencing discussions that society needed to have. This is an alarming statistic for a country that boasts about having stronger protections for free speech as compared to most democracies. The puzzle surrounding the 'PC culture' as it is called and First Amendment rights, now has serious consequences for American society. Throughout this discussion, it is vital to remember that the law provides protection to speech from only the government. A private organization is well within its rights to formulate its own policy regarding speech, in which case citizens do not have the right to invoke the First Amendment. However, this becomes a rather convoluted matter in the case of public universities. In the past couple of

years, various American public universities have been at the forefront of what is being called a systematic and gradual infringement of free speech rights. In a bid to create 'safe spaces' for students, there have been many instances where so called 'controversial' guest speakers have been disinvited or prevented from delivering the speech they intended to. In many cases, this sort of intolerance towards hearing an opposing point of view has reached tyrannical proportions, with even the use of violence being advocated in order to maintain the safe spaces. This makes for a paradox, where there is a situation with freedom from speech, rather than freedom of speech. The refusal to engage in any kind of dialogue with opposing viewpoints has given birth to a new kind of intolerance that arises from an ostensibly liberal mindset. But the proponents of this kind of intolerance are doing a great disservice to the very term of 'liberalism', by in fact regressing and stifling any opinion that doesn't match theirs. They fail to understand that even though they have succeeded in silencing particular 'disagreeable' or 'hateful' ideas, they will still simmer in the minds of people, since thought policing isn't a reality yet. Something like this can have disastrous implications for society, because a certain section will always feel silenced and oppressed by the more acceptable and agreeable majority. It only goes to show that there is great merit in allowing a 'marketplace of ideas' to exist, where opinions can be countered only by opposing opinions, and not by force. This is what the free speech clause of the First Amendment intended to achieve, and there is worth in following it, if only to ascertain what it means for a post- truth America.

The Economics of Violence

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According to World Development Report, 2011, a flagship publication of World Bank, "Violence is not just one cause of poverty among many; it is becoming the primary cause. Many economists are seen citing poverty trap, as one of the main setback effect on the development of any economy.

Yet, the World Development Report suggests that the main constraint on development may stem from a violence trap.

Poverty is becoming more and more concentrated in countries riven by civil war, ethnic conflict and organized crime.

As per the report "Breaking the Conflict Trap-Civil War and Development Policy" which is a co-publication of World Bank and Oxford University, war retards development, but conversely, development retards war.

This double causation gives rise to virtuous and vicious circles. Where development succeeds, countries become progressively safer from violent conflicts, making further development easier. However, where development is inadequate, countries are at high risk of becoming caught in a conflict trap in which war wrecks the economy and increases the risk of further war.

The global incidence of these wars is high because the international community has done very little to avert it. And this inertia stems from two basic beliefs- "let them fight it out among themselves" and "nothing can be done".

- **Economic cost of conflict**

During civil war, society diverts some of its resources from productive activity to

destruction which causes loss from two major sources: the loss from what the resources were previously contributing to and the loss from damage currently inflicted.

Governments in times of war directly increase their military expenditure which has a direct setback effect on the process of economic growth.

However, once the war ends military expenditure does not go back to its natural level. During the first post conflict decade, the average country reduces military expenditure by only 0.5%. Even though the government presents a modest reduction in military spending, it is more accurate to see it as a hidden cost of conflict (because abnormally inflated military conflict persists long after the war period). This, naturally, as an adverse impact on public sector expenditures on health and infrastructure highlighted by a downfall in incomes and social indicators.

Increase in military spending by government is only portion of diversion of resources. This diversion also occurs when resources controlled by rebel groups are diverted away from productive activities.

Destruction of infrastructure on a large scale, during wars, is bound to reduce income, as it is an important indicator of economic growth. Additionally, rebel forces and government soldiers also take to destroying houses, schools and health facilities. The scenario that emerged in Liberia, during the war in mid-1990s would be an apt example. All major infrastructural avenues were damaged and looted. Monrovia, the largest port, suffered major damage in the first few months of the war, most of the electricity generation

capacity of the Liberian Electricity Commission was destroyed, and looting removed much of the transmission and distribution system- completely jeopardizing the functioning of the economy.

A more significant cost has been discussed in Collier, Hoeffler and Pattillo (2002). This cost arises from the fear that violence inevitably generates, as a result of which people flee their homes and tend to lose whatever assets they have which renders an adverse impact on individual's personal disposable income. Faced with prospects of such losses, people try to protect their assets by shifting wealth abroad.

An econometric study by Collier (1999), finds that civil war countries tend to grow 2.2 percentage points slower than peacetime. According to this estimation, after a typical civil war (for a period of seven years), incomes would be 15% lower, implying approximately a 30% increase in the incidence of absolute poverty. The cumulative loss of income is equivalent to 60% of a year's GDP.

The study also points out that this loss is much larger than the one caused by diversion of resources by the government towards military spending, thus bringing to our notice that most of the costs of war are due to adverse effects of violence and not mere diversion of resources.

- **Social cost of conflict**

The most direct human effects of civil wars are fatalities and population displacement, and these factors play a significant role in the assessment of impact of war on development.

The composition of victims in modern civil wars differs radically from those in the early 20th century, with more civilians being roped in. According to Cairns' (1997) analysis, at the beginning of 20th century, 90% of victims were soldiers by 1990s, 90% of casualties

resulting from armed conflict were civilians. This rise in civilian casualties is a consequence of new military practices. Because of more coercive rebel recruitment strategies, people are forced to flee the country. These displacements have huge consequences on individuals and societies.

Another aspect in which civil wars leave an unpleasant memory is the increase in mortality rates. Although they cover only one dimension of the human consequences of conflict, an increase in mortality rates as an accurate measure of the crisis and its impact.

A study conducted by Hoeffler and Reynal-Querol (2003), estimates the impact of war on infant mortality rates, and establish that the effect depends upon the duration of conflict. For a war period of five years, infant mortality increases by 13%. In the first five years of post-conflict period, IMR remains 11% above the baseline.

However, according to Guha-Sapir and Van Panhuis (2002), the impact on adult mortality rates is much more severe. While the rise in adult mortality rate may have been expected due to adult's greater exposure to the risk of combat death, only few of these adult deaths are directly combat related. This has a straight implication- civil wars kill far more civilians even after the war is over than the number of combatants killed during the war.

These health effects of civil wars are persistent even after the war and pose a negative externality on the society and a huge hindrance to recovery. They affect people through two main channels:

1. Technical regress- changes in living conditions which make staying healthy a tedious task. War increases exposure to conditions that magnify the risk of injury, death and diseases. During civil wars the infrastructure needed to maintain healthcare

programs are destroyed massively. Prolonged civil wars displace population either internally or as refugees. As a result of which epidemic diseases emerge from crowding, bad water and poor sanitation are prevalent in camps, while malnutrition and stress compromise people's immune systems. After the civil war, the negative effect prevails due to the loss of efficiency in the usage of resources allocated to maintain public health. Refugees and IDPs do not return to their origin countries for years after the war and continue to stay in makeshift camps which further increases the risk of infections.

2. **Budget Reduction:** War initiates long term negative consequences for public health by reducing the pool of available funds to enhance health infrastructure. During the war, diversion of resources from healthcare to military needs reduces economic growth. After the war, which causes a setback effect on income for many years post-conflict, all forms of public expenditures are squeezed. Expenditure on military does not return to the original level and stays higher implying a further reduction in health care expenditure than the level that prevailed in pre-war period.

- **Picking up pieces, and building the way forward**

An after war economy's priority should be to build a nation of justice and well-being and to ensure optimum use of its potential. The need of the hour should be to establish formal and informal institutions that facilitate the process of sustainable, inclusive and human-centred development, especially through the process of knowledge production.

This priority implies the need of inclusive economic growth, proper health and education systems and infrastructure available for all, decent jobs, equal opportunities, transparent and accountable institutions, social equality, and effective participation in development policies. The focus should be on human, social, and cultural capitals through appropriate policies and tools; and not only on rebuilding the financial and physical capitals.

Any negotiation attempt should take into account the countries' priorities, which need to be identified, determined, and applied in endogenous and home-grown approach, to reach a basic agreement that establishes a solid foundation to trigger the future process of building a strong nation, developed economically, and socially.

The Utopian Dream

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India, the land of culture, art, history, music, religion, food and the vacuous politics brings to us a dystopian reality of a Utopian mirage. I grew up here, among the various people, the various castes and with the two and the other

unrecognized sexes. Soon I came to realize that we as a country choose to celebrate the socially constructed image of perfection ignoring most of our flaws. That is what is imbibed in us since childhood.

Hence, India presents to you a plethora of unsatisfied men, unrecognized women, silent rape victims, and the seemingly ignominious sexes, corrupt politicians, grieving underprivileged children, unnoticed destitute, disregarded crippled, neglected queer, and the unsung martyrs. But I am not here to produce a work of condemnation about our country. Rather, I want to paint a picture for you which takes you to a dream, to my idea of a much aspired Utopian Indian Society.

Therefore, when I'm asked about my kind of an ideal Indian society, I often think of it as one which a little disparate from democratic phantasm which prevails today. A society in which one can really choose how they are to be governed, one in which the state does not seem to bother religion and religion is too busy to influence the governance. A country where corruption won't be as rampant and issues such as farmers' protests would receive more attention than the issue of film screening of a fictional female character. One where there exists no misogyny or patriarchy and where every woman can choose to live her dreams without being guided by tradition and other socially constructed ideals. Where a man can choose to live his dream without being forced to adhere to the social construct of a "Man". Where feminism is accepted as not just a right but fair to the human existence.

Where every child can have the blessing to have a delightful and a healthy childhood full of laughter and love, where they are not killed before their birth because of their sex. A state where people can have the freedom to walk anywhere and talk anything (and not get

killed, maimed, burnt or raped) and love anyone and everyone. Where terrorism is a non-existent theory.

A place where we aren't told to be careful and think about our future, where one could choose to live in the moment and rejoice in every part of it. A country, where there would be no indifference, no lacking of empathy. Where people believe in more self-love and hedonism, less in self-indulgence and envy. People would love each other for love and everyone would be independent of each other. Where capitalism has a lesser effect on our personal lives. What an admiring and pristine society that would be. There would be absolutely no space for despair and desolation, and every citizen would live a perfectly satisfactory life.

However, we as humans have innumerable hopes and desires which can never really cease to multiply, and maybe that is the principle reason for Utopia being a distant reality. It is true that Utopia is a perfect illusion which cannot come true, but we as a state need to focus and keep the Utopian ideal as the end goal. Presently, we seem to exist very comfortably in a reality which is closer to the state of dystopia. Imperfection is what makes us human, accepted. But we can nowhere take this fact for granted and hence we as individuals need to be less self-absorbed and more generous to one another. We need to endeavour towards our goals to try to build a better society for ourselves. Utopia is sure a mirage, but one can always hope.

Kashmir: Conflict, Instability and More

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Kashmir is often referred to as 'heaven on earth'. However this image of Kashmir is being replaced by a new one. It is now becoming synonymous with terrorism, loss of life, curfews and pellet guns.

The Kashmir conflict is a territorial conflict primarily between India and Pakistan, which started in 1947 and is continuing till date. Till now, three wars have been fought between them- Indo-Pakistani Wars of 1947 and 1965, as well as the Kargil War of 1999. The instability has had, and continues to have a negative impact on the state's economy. Besides exacting extensive damage to the infrastructure of the region, the violent conflict has discouraged private investment, pushing the economy towards stagnation. The state has abundance of natural resources but it fails to use them in an optimum manner. An important cost of violence is the waste of "human talent" and "loss of creativity" which has stunted development and has forced people to think only of survival, not of progress. Due to poor quality of education, thousands of inadequately educated students with no hope of a decent job, are being driven towards terrorism.

There is a direct impact of armed conflict on tourism count. Poor infrastructure, corruption, poor policy management have all contributed to the decaying tourism industry. It has also been seen that tourists are perceived as the perfect victims for terrorists as any attack on them gets much higher media coverage and international attention. They become the perfect way of getting the message across. Since a huge number of people are employed in the tourism industry, such a

situation causes a state of helplessness. In Srinagar city, 3,500 hotels with 25,000 rooms had zero occupancy by the peak of the 2010 unrest, resulting in enormous economic losses to the hoteliers. The tourism crisis affects both owners of hotels and the workers. However, when tourism industry suffers, hotel owners get tax rebates and so there is more pressure on the workers.

The unrest quite naturally affects the education sector of Kashmir, in a negative way. There have been many reasons due to which there has been a fall in attainment of quantity as well as quality of education such as destruction of infrastructure, fear of sending children to schools, incorporation of youth into armed groups, negative economic shocks and forced displacement.

Due to the closure of schools, the academic session gets badly hit to the extent that it causes irreversible loss of study and tuitions to the students. Sometimes the exams conducted by J&K Board of Secondary Education (JKBOSE) for 10th and 12th standard students do not even cover 50 per cent of the total syllabus. The loss of 50 per cent of the syllabus creates difficulties for them while competing in national level entrance exams.

Technical education institutions/students in the valley are generally not able to complete their academic/practical work fully within the prescribed period. The normal skill imparting process as well as new skill development initiatives gets hampered due to strikes, resulting in truncation of initiatives. This may consequently affect the formation of generation's next workforce.

Kashmir's economy is highly dependent on agriculture, supporting about 80 per cent of its population. Nearly 75 per cent of temperate fruits and crops in India are grown in the state.

This sector is adversely affected due to lack of marketing strategy and violence prone image of the state. A major part of cultivable land is used by Indian armed forces and has remained unutilized for a long time. The army holds more than 1000 acres of land at Badami Bagh housing the 15 corps headquarters. In Damoder Karewa, the Air Force base is spread over 2493 acres of land and people had no option other than to sell the land to the Defence Ministry.

The schools in Valley have been changed into interrogation centers, some have been burnt and some have been locked due to chaotic environment. Tourism was highly affected by the violence in the state. In addition, plain land

also shrunk because of increasing acquisition of spaces by the security forces.

There is an urgent need for the government to take steps to bring stability in the region. Modernization of all these sectors is the need of the hour. There is a need for proper infrastructure too. But all these steps are not possible until the Kashmir conflict is resolved.

Conflict and development are interrelated. Conflicts and unrest adversely affect all spheres- political, social, cultural, economic, etc. They do not just result in physical suffering but also in unemployment, hunger, illiteracy, etc. The conflict has brought innumerable losses for both India and Pakistan but it is the people of the region who suffer the most. Economic development would likely steer the ongoing process further and help realise a peaceful solution of the Kashmir issue.

Transportation Technology Transfers: Hyperloop

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“Today's world is divided no longer by ideology but by technology”. About 15% of the world's population (from developed countries) provides for world's technology innovations, and about half of the world's population (from developing countries) adopts these technologies. And the remaining one-third of the world's population is technologically disconnected.”

Historically, India has given a lot of importance to science, technology and innovation as observable in the various national policies it adopted regarding the same post-independence.

However, the most important element that highlights a change in the nature of Indian policy towards S&T is that of “creating an environment for enhanced Private Sector Participation”. Indian government is now

open to working with private companies both within the country as well as outside it to make India a technologically advanced nation. Such an opening or moving away from the earlier notion of developing everything from scratch within the nation, leads to ushering in of technological transfers from developed countries to India, the importance of which is now realised by the country. One major country that assisted India in the technological sphere is USA.

The end of Cold War restructured India-US relationship. India witnessed a fundamental transition in Indian electoral politics from a largely one-party-dominant system to a coalition system. This created ideological and political space for new voices in the articulation of Indian foreign policy. The nature of American policy changed towards India and various other nations who were a part of the Soviet bloc or were inclined towards it, because now it could befriend and exploit these countries as they had no option but to enter into negotiations with the sole superpower.

Economically, India was facing a severe balance of payment crisis and as a result it went through liberalisation, privatisation and pursued economic reforms and moved towards global integration. This gave way for USA to invest in India and improve the estranged relations that were present between them and India during the cold war era.

A major component of this attempt to improve relations was technological transfers from USA to India. However, most of these transfers are in highly specialised or niche areas, with long gestation periods and far from the scope for direct public domain.

Recently, the Indian government has realised that Indian public, particularly in major cities, are facing the problem of high traffic on roads and the increase in urban population has led to

special expansion of the city resulting in the problem of long distance travelling to reach the workplace. Attention has been given to the same as it affects the productivity of human resource. Thus, Indian government is now focusing on transport technology transfers to bring about efficiency in this sector. One example of the same is Hyperloop.

Hyperloop is a proposed mode of passenger or goods transportation which is the brain child of Elon Musk, founder and CEO of SpaceX and Tesla. He calls it “a cross between a Concorde, a railgun, and an air hockey table” and is an attempt to move away from traditional wheels by using air bearings for pods instead. This means that it will have a pod floating in air. It is similar to Maglev trains in Japan that move from electromagnetic levitation.

It is projected that India’s urban population would grow to about 473 million in 2021; hence, cities must not only meet the mobility needs of the current population (285 million) but also provide for the needs of those yet to join the urban population. Thereby, the government launched National Urban Renewal Mission to improve urban infrastructure, a major component of which is transportation.

However, even today, India does not have a National Transport Policy. There is one Ministry of Road Transport and Highways at the national level, but the public transportation system and other roads within the state, are still the domain of the state government’s transportation department. It is observable that India does not have a holistic approach towards transportation and deals with technological advancements and transfers of those transportation technologies on a case to case basis.

A major attraction of this technology is that the Indian fixation with ‘make in India’ is in

consonance with the model that the company is proposing. Hyperloop is not looking for a simple transfer of technology rather it has a vision of partnership; they are open to learning from this as they have no doubt on the brain power of India.

It is cost-efficient as Hyperloop can be created over the ground and also underground in tunnels, which would be less expensive than what is required for the railways. Another advantage is that energy would be required, but only where the pod is running as they have a unique mechanism for turning it off and on in microseconds, which saves energy. It functions on renewable energy which is in accord with India's climate change stance. A main advantage of such a system is that it transforms the definition of a city to power regions. One can live 300 kms away and still travel to workplace in 30 minutes.

Thus, by taking into consideration all of the above, the Andhra Pradesh Economic Development Board (AP-EDB) and the US-based Hyperloop Transportation Technologies (HTT) signed the memorandum of understanding (MoU) to build a Hyperloop line between Vijayawada and Amaravati, that covers a distance over 35 kms in five minutes, as opposed to one hour that it takes during peak hours. If everything goes well, this will be the first Hyperloop project to be implemented in India.

However, various scholars have highlighted barriers to transport technology transfers, like Hyperloop, to developing countries like India. First, is lack of suitable environment, particularly in the recipient country, where there are no local companies with required technical skills and competence to supply technology components and services suited to the detailed and precise requirements of the major firms. Second, in most developing countries there is lack of technical, business

and general technological information. Third, the access to capital by local companies can be a financial barrier. Fourth, differences in social and cultural systems among countries can be a barrier. Changes in transportation methods require certain lifestyle changes which are not very easy to adjust to. Fifth, there is confusion regarding whether projects like Hyperloop should be under the control of the state or central government. Views on the same are divided- scholars in favour of state governments argue that it is only state government that can ensure effective implementation because there will be direct contact with the technology transferring country and the recipient state. On the other hand, some scholars favour central government by arguing that it reduces the possibility of regional disparity as not all Indian states are developed enough to afford such expensive technologies. However, it becomes important for us understand that such large projects require coordination between both state and central government as each offers something worthwhile.

Both developed and developing countries have realised the importance of innovation in the transportation sector. Developed countries like USA have taken steps in this regard by creating technologies like Hyperloop, and developing countries like India, which do not have R&D capabilities to develop their own technologies, have realised the importance of importing such technologies and working along with the private companies of the developed nations to solve the transportation problem in their countries. One cannot negate the significance of transportation technology transfers in enriching the pre-existing Indo-US relations. As the case study of Hyperloop highlights, US is interested in working with India to develop new technologies. It wants partnership, rather than simply selling technology to India which has positive implications which are strategic (like

befriending India, sharing risks relating to failure of new technology as there is pooling of assets and joint management, making India dependent on US technology and FDI, etc.)

for US and for India it fosters economic development. This adds another element to Indo-US relations, thereby enhancing cooperation between the two countries.

Global Protectionism- The Rise of a New Era?

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For the past three decades, the world has witnessed widespread liberalization. It was all about connecting the world economy and reaping mutual benefits. Globalization has had a positive impact all over the world leading to higher growth rates and an increased standard of living. But over the past two years, world economy has witnessed some major changes in favor of protectionism throughout the world.

According to the Oxford Dictionary, protectionism is “the theory of shielding a country’s domestic industries from foreign competition by taxing imports”. At first glance, it may not seem like this kind of trend is making a comeback in the world economy, but when we look closely we find that this theory is forming its roots with each passing day. The biggest example of this is the rise of Donald Trump. Mr. Trump’s election campaign rigorously promoted protectionist ideology from giving jobs to Americans to a shift in H-1B visas, the Republican party made it their agenda to protect and promote American people’s needs while Hilary Clinton was all about taking everyone together and advocating for world peace and liberalization. Evidently, the elections were in favor of the republican ideology.

Another phenomenon in favor of protectionism was BREXIT. The people of Britain were insecure about Europeans taking

their jobs. United Kingdom is the financial hub so it made sense for it to be in power rather than follow Europe’s lead.

Another shocking development was the German Election in 2017 where the Rightist party which is the Alternative for Germany (ALF) founded in 2013 gained enough votes to enter the German parliament for the first time after World War II. This rise of ALF is interesting because it is basically a protest party in Germany and has garnered a lot of support over recent years.

While these were the general trends, there have been strategic policies favoring protectionism as well, whether it being Mr. Trump’s decision to exit the Paris Climate Agreement or him backing out of the Trans-Pacific Partnership (TPP) which was originally between 12 countries. India and America are also becoming close allies to counter the growth of China and affect its performance in the world market which is another indication of the protectionism.

These changes force us to think that this is the beginning of a new era because protectionism is not being followed in its traditional sense; rather it seems as if we are slowly drifting away from liberalization and globalization. With political parties around the world making it their agenda to prioritize and protect the economic interests of their citizens, it

would be interesting to see what new turns we'll get to witness in the coming years.

Patanjali: A Smart Business or Subdued Hypocrisy?

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Patanjali's salience in the global world has been constructed due to the model Baba Ramdev has based his business on. The "Swadeshi Model" has left an impressionable footprint for the Patanjali products, alluring people towards them. In its latest advertisement, Patanjali Ayurveda propelled the shopkeepers to give prominence to its products to help fulfil the dream of Mahatma Gandhi, the key proponent of Swadeshi.

According to Gandhi, restricting the use and services of our immediate surroundings at the expense of our indigenous communities defined Swadeshi. Isn't it incongruous to the model adopted by Baba Ramdev?

The underlining feature of Swadeshi is self-reliance which entails both the funding as well as production. The recent acceptance of \$500 million loan from Louis Vuitton contradicts the funding aspect highlighted by Gandhi's Swadeshi Model. Also, most of the technologies by which patanjali products has been made are imported. How does this indicate self-reliance? When the dependency on the foreign countries for resources and inputs of production has been accelerating, the definition of Swadeshi propagated by Ramdev is hypocritical.

The primary concern for him has always been health in terms of physical and mental well-being. However, the announcement by

Patanjali to step into footwear and jeans has stupefied the masses. How will Shudh Swadeshi jeans serve the purpose of better health care? When we already have dhotis as Swadeshi version of jeans, how is the concept of jeans "Swadeshi" when we have imported this concept from the west ?

Products like maggi, chyawanprash, honey, whole grain wheat, toothpaste, oil etc. have been given an improvised composition under Patanjali for a better health. Introducing Swadeshi jeans will be more of an expansion of the business rather than promoting the cause of health care by the Yoga specialist, Baba Ramdev.

Although Indianised fabric and design will be used, incorporating them with the concept of jeans makes it a heterogeneous idea and not the idea pertaining to India, yet again refuting the very notion of Swadeshi.

This throws forward a tangible argument of whether there will be an upcoming announcement regarding Patanjali launching its Shudh Swadeshi mobile phones against the ones imported from abroad.

Reinforcing the above arguments, there is no scrutinised information available regarding the functioning and labour regulations followed by Patanjali. Without authenticated data available, it will be fallacious to believe

the statements stated by the Ayurvedas. 2005 controversy of licensing and labelling provision violations exemplifies the same. On handing over the herbal ayurvedic medicines made by the Divya Yog Pharmacy, owned by Baba Ramdev, to the Department of AYUSH, it was found by the CPI(M) leader, Brinda Karat, that they contained animals materials and human bones.

If the trust has already been breached and adulterated medicines been sold, it questions the concerns as well as intentions of the smart Yogi. If foreign technologies, foreign funds and foreign concepts are a part of his business strategy, it questions the “Gandhi’s Swadeshi Model” on which Baba Ramdev is proud of himself. If the primary concern of spreading the benefits of yoga and looking after the betterment of health has been shifted to expansion of the business by planning to make products unrelated to the cause, it questions the objective of diving into commercialisation of health i.e. driving economic benefits out of it. These simply insinuate the aforethought of gaining malice popularity and the stimulation of establishing a smart business.

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