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A solution in search of a problem

Instead of addressing inequality, the 10% quota for economically weaker sections creates huge anxieties



CAUTION AHEAD
Electronesian temptations for populist spending pose a challenge to the economy

The first advance estimate of gross domestic product (GDP) growth for the first quarter of the current financial year on Monday points a somewhat gloomy picture. The GDP growth rate for the full year is projected to be 7.2%, which is significantly higher than the growth rate of 7%, without that year. Many sectors of the economy are projected to be better than they did last year in the aftermath of the Covid-19 pandemic. However, such a manufacturing and construction, for instance, are projected to grow at a healthy pace of 5% and 6%, respectively, both of which are higher than the growth rate of India. It is worth noting that the growth rate of 7.2% is significantly higher than the growth rate of 7%, without that year. Many sectors of the economy are projected to be better than they did last year in the aftermath of the Covid-19 pandemic. However, such a manufacturing and construction, for instance, are projected to grow at a healthy pace of 5% and 6%, respectively, both of which are higher than the growth rate of India. It is worth noting that the growth rate of 7.2% is significantly higher than the growth rate of 7%, without that year.

Let the grassroots breathe

Local bodies must not be administrative vessels for implementing programmes of the Central and State governments



Pull-out puzzle
As Turkey seeks to sign a peace deal, the US must evaluate its next move

President Donald Trump's planned withdrawal of American troops from Syria has made headlines. The move is being seen as a significant shift in US foreign policy. The US has been in Syria since 2011, and its presence has been a major factor in the conflict. The withdrawal of troops would leave a power vacuum in the region, which could be filled by other powers. The US must carefully consider the implications of this move, particularly in terms of its relationship with Turkey and the broader Middle East. The US must evaluate its next move, taking into account the interests of its allies and the stability of the region.

Has India earned the number one spot in Test cricket?

The victory in Australia earned the sport's momentum could stay with India



YES, NO, IT'S COMPLICATED

The victory in Australia earned the sport's momentum could stay with India. This is a significant achievement for Indian cricket, as it marks the first time the team has won a Test match in Australia. The win was a result of a combination of factors, including a strong batting performance and a solid bowling attack. The victory has boosted the morale of the team and its fans, and it has also earned India a higher ranking in the Test cricket world. However, it is still too early to say whether India has truly earned the number one spot. The team will need to continue to perform at a high level in future matches to solidify its position at the top of the world rankings.

Caught in the bubble

Unless the political project of Hindutva is tackled head-on, pseudo-scientific claims will continue to be made



SINGLE FILE

Unless the political project of Hindutva is tackled head-on, pseudo-scientific claims will continue to be made. This is a concerning trend in Indian society, where political ideology is often used to justify unscientific claims. The rise of Hindutva has led to a growing reliance on pseudo-scientific arguments to support political agendas. This is not only harmful to the scientific community but also to the general public, who may be misled by these claims. It is essential for the government and society to take a stand against such practices and to promote a culture of rational thinking and scientific inquiry.

Discrimination (n-) भेदभाव, difference, biasness
Paved (v2+) मार्ग बनाना, make way, direct, guide
Deploying (v4+) तैनात करना, spread, employ
Arsenal (n+) शस्त्रागार, weaponry
Implication (n+) निहितार्थ, inference, hint, मंशा
Minimal (adj-) कम से कम, minimum, at least
Outpacing (v4+) आगे बढ़ना, overtake, surpass
Constraint (n-) बाधा, obstruction
Foregone (v3/adj-) अतीत, विगत, past, former
Entrenched (v2+) सुरक्षित करना, establish, settle
Redundant (adj-) निरर्थक, अनावश्यक, unnecessary, exaggeration
Blunt (adj-) बिना तेज़ धार, without sharpness
Sobering (adj+) गंभीर, जो नशे में न हो, serious, solemn
Grim (adj-) भयंकर, serious, gloomy
Grievance (n-) शिकायत, complaint
Regardless (adverb) परवाह किए बिना, irrespective
Partake (v1+) सम्मिलित होना, participate, involve
Elementary (adj+) प्रारंभिक, basic
out-of-the-box thinking (idiom) to think imaginatively using new ideas instead of traditional or expected ideas.

A solution in search of a problem
 Instead of addressing inequality, the 10% quota for economically weaker sections creates huge anxieties...
 If the number of demands for implementing reforms is any guide, India's reservation system is clearly in disarray.

However, it is unlikely that the recently passed Constitution (124th Amendment) Bill, 2019, creating a 10% quota for the economically weaker sections (EWS), will serve as anything more than a band-aid.

- Excluding no one
- However, while a number of criteria were discussed in the parliamentary debate, the Bill is quite silent on this.
- One of the criteria — the income threshold of ₹8 lakh per annum — has been mentioned.

- The National Sample Survey (NSS) of 2011-12 shows that the annual per capita expenditure for 99% of households falls under this threshold, even when we take inflation into account.

- Excluding no one
- Similarly, as per the India Human Development Survey (IHDS), the annual household incomes of 98% of households are less than ₹8 lakh.

- Even if we apply all the other criteria for exclusion (e.g. amount of land owned and size of home), the Bill would still cover over 95% of the households.

- So, who are we excluding? Almost no one.
- Excluding no one

- While the benefits of the EWS quota are likely to be minimal, the cost may be higher than one anticipates.

- First, it is important to remember that general category jobs are open to everyone, including Scheduled Caste (SC), Scheduled Tribe (ST) and OBC individuals.

- Thus, by removing 10% jobs from the "open" category, it reduces the opportunities for currently reserved groups. Hence, this is by no means a win-win situation.

- Getting caste certificates

- This may be particularly problematic for OBCs since OBC reservation is limited to 27% of the seats whereas the OBC population is at least 40% of the population, possibly more.

- Second, actual implementation of the EWS quota could be challenging.

- Few non-SC/ST/OBC individuals have a caste certificate.

- A large number of **SC/ST/OBC** households report difficulties in obtaining these certificates.
- **Getting caste certificates**
- Third, in an era when skill demands are rapidly outpacing supply of candidates in specialised fields, the **EWS quota** increases the constraints.
- If a university advertises for an associate professor for quantum physics under the **EWS quota** and the only suitable candidate happens to be from an **OBC category**, she could not be hired.
- **Getting caste certificates**
- The following statistics from the Union Public Service Commission provide a sobering view of ground realities.
- In **2014**, only **0.14%** applicants to the **UPSC** were selected.
- Moreover, the **general category** and **OBCs** have the highest success rate, about **0.17%**, and **SCs** have the lowest, about **0.08%**.
- **Getting caste certificates**
- if we look at the candidates who made it past the **preliminary examination** (providing preliminary quality assurance), the picture is equally grim.
- Only about **8%** of the candidates who took the main examination succeeded.
- Here the success rate is **8.2-8.3%** for **SC** and **ST candidates**, **9.9%** for **OBCs** and **7.8%** for the **general category**.
- **Getting caste certificates**
- The above statistics tell us that in spite of reservations, a vast proportion of reserved category applicants do not find a place via the **UPSC examination**.
- The **India Human Development Survey (IHDS)**, shows that among children aged **8-11**, **68%** of the **forward caste children** can read at Class 1 level while the proportion is far lower for **OBCs (56%)**, **SCs (45%)** and **STs (40%)**.
- **Conclusion**
- This suggests that we need to focus on reducing inequalities where they first emerge, within primary schools.
- **Writer**
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Caution ahead

Election-season temptations for populist spending pose a challenge to the economy...

The first advance estimate of **gross domestic product (GDP)** growth for **2018-19** released by the **Central Statistics Office** on Monday paints a mixed picture of the economy.

- The **GDP growth rate** for the full year is projected to be at **7.2%**, which is significantly higher than the growth rate of **6.7%** achieved last year.
- Many sectors of the economy are projected to do better than they did last year in the aftermath of the twin shocks of **demonetisation** and the rollout of the **Goods and Services Tax**.
- Sectors such as **manufacturing** and **construction**, for instance, are projected to grow at a healthy pace of **8.3%** and **8.9%**, respectively, both of which are higher than the growth rate of below **6%** that each sector witnessed last year.
- Interestingly, the **CSO's growth** estimate for **2018-19** appears conservative and is lower than the estimates made by institutions such as the **Reserve Bank of India** and the **World Bank**.
- According to the **CSO**, growth is likely to slow down considerably from the average of **7.6%** recorded during the first half of the current fiscal year to around **6.8%** in the second half.

- **Gross fixed capital formation** as a percentage of **GDP** is expected to reach **33%**, the highest in three years.
- The projected slowdown in the second half of the fiscal despite the fall in global oil prices is a worrying sign.
- **Conclusion**
- Ahead of the general election, the government may wish to help growth by boosting spending, but any such move would be ill-advised.
- With the fiscal deficit exceeding the Budget estimate by **15%** in just the **first 8 months of the fiscal year**, the government cannot crank up spending without severely affecting its finances, along with investor confidence in the economy.

THE HINDU ARTICLE OF THE DAY

A solution in search of a problem

If the number of demands for implementing reforms is any guide, India's reservation system is clearly in disarray. However, it is unlikely that the recently passed Constitution (124th Amendment) Bill, 2019, creating a 10% quota for the economically weaker sections (EWS), will serve as anything more than a band aid. Given the deep inequalities prevalent in access to education and jobs based on caste and socio-economic status, affirmative action (or positive discrimination) makes a lot of sense. However, the system that was put in place during the early years of the Republic deserves serious re-evaluation in an era when technology has paved the way for deploying a better equipped arsenal. Here I present an evaluation of the potential implications of the EWS quota Bill, followed by some alternatives.

Excluding no one

The Bill promises 10% reservation to individuals classified as economically backward. However, while a number of criteria were discussed in the parliamentary debate, the Bill is quite silent on this. Assuming that among the criteria discussed in Parliament, those that are currently applied to the definition of the Other Backward Classes (OBC) creamy layer are to be used, it is not clear how useful they would be. While the OBC creamy layer has been created to exclude people who are clearly well off, the EWS quota, in contrast, is expected to focus on the poor. One of the criteria — the income threshold of ₹8 lakh per annum — has been mentioned. The National Sample Survey (NSS) of 2011-12 shows that the annual per capita expenditure for 99% of households falls under this threshold, even when we take inflation into account. Similarly, as per the India Human Development Survey (IHDS), the annual household income of 98% of households are less than ₹8 lakh. Even if we apply all the other criteria for exclusion (e.g. amount of land owned and size of home), the Bill would still cover over 95% of the households. So, who are we excluding? Almost no one.

While the benefits of the EWS quota are likely to be minimal, the cost may be higher than one anticipates. First, it is important to remember that general category jobs are open to everyone, including Scheduled Caste (SC), Scheduled Tribe (ST) and OBC individuals. Thus, by removing 10% jobs from the "open" category, it reduces the opportunities for currently reserved groups. Hence, this is by no means a win-win situation. This may be particularly problematic for OBCs since OBC reservation is limited to 27% of the seats whereas the OBC population is at least 40% of the population, possibly more. Thus, this move is almost certain to result in calls for greater OBC reservation, particularly if a constitutional amendment to increase the proportion of reserved seats from 50% to 60% is already being adopted.

Getting caste certificates

Second, actual implementation of the EWS quota could be challenging. Few non-SC/ST/OBC individuals have a caste certificate. A large number of SC/ST/OBC households report difficulties in obtaining these certificates. How would an individual practically lay claim to this status?

Third, in an era when skill demands are rapidly outpacing supply of candidates in specialized fields, the EWS quota increases the constraints. If a university advertises for an associate professor for quantum physics under the EWS quota and the only suitable candidate happens to be from an OBC category, she could not be hired. These challenges occur for all positions under specifically reserved categories and we have

chosen to live with these difficulties in the interest of the greater good of equity. However, there is little benefit to be derived from the EWS quota.

Redesigning reservations

Arguably, the greatest cost of this amendment lies in the foregone opportunity to develop an enhanced and more effective reservation policy so that we can genuinely see an end to the entrenched inequalities in Indian society in the medium term. We have gotten so used to business as usual that we make no effort to sharpen our focus and look for more effective solutions, solutions that would make reservations redundant in 50 years.

If we were to redesign from scratch, what would an effective affirmative action policy look like? If the goal is to help as many people as possible, we are facing a serious challenge. On the one hand, 50% reservation looks very large; in the grand scheme of India's population it is a blunt and at times ineffective instrument. The following statistics from the Union Public Service Commission provide a sobering view of ground realities. In 2014, only 0.14% applicants to the UPSC were selected. Moreover, the general category and OBCs have the highest success rate, about 0.17%, and SCs have the lowest, about 0.08%. This maybe because of the perception that it is easier for SCs to be recruited via the reserved quota and this may have led to a large number of SCs taking the civil services examination. One might say that many of these candidates are not qualified for these jobs. However, if we look at the candidates who made it past the preliminary examination (providing preliminary quality assurance), the picture is equally grim. Only about 8% of the candidates who took the main examination succeeded. Here the success rate is 8.2-8.3% for SC and ST candidates, 9.9% for OBCs and 7.8% for the general category. This suggests that in spite of the grievances of upper castes, reserved category applicants are not hugely advantaged. The above statistics tell us that in spite of reservations, a vast proportion of reserved category applicants do not find a place via the UPSC examination. I suspect statistics from other fields may tell a similar story. This implies that if we expect reservations to cure the ills of Indian society, we may have a long wait.

Spread the benefits

Hence, we must think about alter-native strategies. One strategy maybe to try and spread the benefits of reservations as widely as possible within the existing framework and ensure that individuals use their reserved category status only once in their lifetime. This would re-quire that anyone using reservations to obtain a benefit such as college admission must register his/her Aadhaar number and she would be ineligible to use reservations for another benefit (e.g. a job) in the future. This would re-quire no changes to the basic framework but spread the benefits more broadly within the reserved category allowing a larger number of families to seek upward mobility.

A second strategy might be to recognize that future economic growth in India is going to come from the private sector and entre-premiership. In order to ensure that all Indians, regardless of caste, class and religion, are able to partake in economic growth, we must focus on basic skills. We have focused on admission to prestigious colleges and government jobs, but little attention is directed to social inequality in the quality of elementary schooling. The IHDS shows that among children aged 8-11, 68% of the forward caste children can read at Class 1 level while the proportion is far lower for OBCs (56%), SCs (45%) and STs(40%). This suggests that we need to focus on reducing inequalities where they first emerge, within primary schools.

The challenge we face is that our mindset is so driven by the reservation system that was developed in a different era that we have not had the time or the inclination to think about its success or to examine possible modifications. The tragedy of the EWC quo-ta is that it detracts from this out-of-the-box thinking!

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