Opinion

THURSDAY, JUNE 6, 2019

WORLD ENVIRONMENT DAY

Natural Historian, Sir David Attenborough

It's not just climate change; it's sheer space, places to grow food for this enormous horde. Either we limit our population growth or the natural world will do it for us, and the natural world is doing it for us right now

Banks can't cut rates till govt drops EPF, etc, interest

Cut in small savings' rates critical for banks to get more deposits; without that, they can't lower interest even if RBI cuts the repo

THE SHARP DECELERATION in growth over the past year, culminating in a jaw-dropping 5.8% year-on-year (y-o-y) in the March quarter, is enough evidence the economy is stalling. Although there is a clamour for a policy rate cut, high interest rates are not the main cause for poor growth though there is doubt that a smaller interest bill does make a big difference to small businesses. But while RBI may cut the repo by 25, or even 35, basis points today, the harder task will be to get banks to lower loan rates. There has been little transmission of the cuts in the repo rate into loan rates over the last several years for various reasons, including the asset quality pains of state-owned lenders and more recently, the moderating pace of growth in deposits. The central bank has tried to tweak the lending method—there was the base rate and now the MCLR—but banks are reluctant to lower rates for fear their margins will shrink. It also wanted to force them to peg loan rates to external benchmarks, but has desisted.

While banks have only themselves to blame for the sorry state of their balance sheets, they must be free to charge whatever rate they feel is needed to cover costs and earn a surplus; they must have the flexibility to decide how to play the competition and remain in business. It is a fact that, over the past year or so, deposits have been hard to come by, whereas the demand for loans has picked up. This has made it difficult for banks to lower the interest rate on deposits since they rightly fear the savings would flow elsewhere. After all, deposits account for the biggest chunk of borrowings for banks, and not borrowings in the wholesale market that are short-term in nature. One way to address the problem is to lower the interest rates on other savings schemes—EPF, PPF, post office schemes—so that the relative attractiveness of bank deposits returns. So far, the government hasn't had the stomach to take on the unions, but if it wants banks to lower loan rates, it must start by bringing down rates on all competing savings products. Again, for loan rates to come down, expenses on overheads too must come down. Many of the the public sector banks have a larger share of the cheaper CASA deposits, but their workforces are large and their employee costs disproportionately high. However, they are nearly bankrupt and have been asked by the central bank to stay out of the loan market. These banks must use technology and digitisation and hire only the kind of talent needed to operate in this new environment.

Former RBI governor Raghuram Rajan had observed that one reason for the high premium or spread charged by lenders was because of the large number of defaults. Banks need to be far more vigilant, careful and honest while appraising borrowers than they have been in the past. A better credit culture would reduce the need for large spreads. To be sure, these changes will occur only over the longer term. In the near term, lower interest rates on small-savings schemes might make banks less apprehensive of trimming rates on deposits and embolden them to cut interest rates on loans by more than five or ten basis points at a time.

Fight pollution efficiently

Localised, piecemeal solutions don't work in the long run

THE THEME OF the World Environment Day this year being air pollution shows no amount of attention to the matter can ever prove enough. To illustrate, the climate action consensus achieved at the Paris meeting has been squandered since, given growth in global fossil fuel emissions, after remaining flat in 2015 and 2016, inched up by 1.6% in 2017 and clocked 2.8% in 2018. The US, under climate sceptic Donald Trump, walked out of the Paris Agreement and many other countries have either threatened to follow suit or are reassessing their commitments under the agreement. India, as an analysis by Climate Action Tracker shows, is one of the four countries that have 2°C—compatible national action plans. To be sure, air pollution is still a major headache for India, but the greater thrust on renewable power generation, prodding a shift towards electronic vehicles, improving green cover, linking 8 crore households burning plant and animal waste to LPG, and other such action should go a long way in bringing down emission of greenhouse gases and other pollutants. On the other hand, the country seems to be failing badly at curbing water pollution and plastic pollution.

There are many climate action/pollution mitigation measures being implemented across the country. There is a Ganga clean-up plan that focuses on action against polluting industries whose effluents flow untreated into the river, building effluent and sewage treatment capacity, solid waste processing plants, etc. On solid waste management and plastic pollution, the Commissionerate of Municipal Administration (CMA) of Tamil worked hard to ensure state-wide progress in compliance with the Solid Waste Management Rules 2016—from waste segregation at source to composting of wet waste, the state has made considerable progress in a short span of time. Within corporate India, Infosys has relied on tech/design solutions for its buildings and many other efforts to build a culture of environmental sustainability. The Indian IT giant now has 18.25 million sq ft of the highest-rated green buildings, having overhauled energy and water consumption, and waste management—the company has reduced per capita water consumption by 20.6% and per capita energy consumption by about 5% in 2018 over 2017.

Many such solutions are thriving in India, but are extremely localised or benefit, at best, certain small pockets. Replication of best practices, scaling up from the locality-level to the state or even national level, wider reach of sustainability solutions, etc., are often hobbled for the want of capital, lack of will or vision among policy makers, and, crucially, market interest. If India is to be on the front foot in its fight against pollution, an entirely decentralised approach may not make much sense—quite like how India battling a future that sees a >2°C rise in global temperature with a handful of other nations is futile. A concerted response to pollution needs a body to link individual, localised solutions to a broader market for these. For instance, why shouldn't other corporates and even public sector buildings make use of technological/design innovations that are helping Infosys reduce its dependence on fossil fuel-power? Getting the market interested in such solutions will require convincing it of the need for these, and if the dire warnings sounded by expert panels on the planet's future because of the unfolding climate crisis can't do the job, there is little else that can.

FreeRIDE

The Delhi govt's proposal to let women ride on DTC buses/Metro free of charge is more populism than a vision for change

THE DELHI GOVERNMENT'S decision to allow women to ride on DTC/cluster buses and the Metro for free reeks of the most dangerous kind of populism—one that is dressed up as serving a larger public good. The Arvind Kejriwal government reasons that this will boost both women's safety and their likelihood of finding employment and staying employed. To be sure, the ease of commute because of an accessible and wide public transport network is a big factor in boosting women's employment and, to an extent, provides them security. But, is making the commute summarily free, for all economic classes, the best way to achieve these objectives? As far as the burden on the debt-ridden DMRC's revenues is concerned, the Delhi government will bear the cost—around ₹1,600 crore annually.

Census 2011 shows that in tier I, II and III cities, women account for just 22% of total daily passengers; in Delhi, it is a much lower 15%. The Delhi government believes that it subsidising the entire amount charged to women for their travel will bring this number up, with long-term gains for women's participation in the labour force. However, given how the proposal comes just months before Assembly elections in the national capital, it is hard to see this as anything more than a pre-poll sop. Given that a significant proportion of the women who would likely board DTC/cluster buses and the Metro once the "free ride" policy comes into effect can afford to pay the fares even today, the Delhi government absorbing the loss seems like inefficient use of the taxpayers' money. There are a host of other issues that affect women's ease of mobility, for instance, the absolute lack of safe last-mile connectivity from the metro and bus stops. Also, can free-rides for women be assigned a higher priority than, say, adding to the DTC's fleet which suffers from chronic shortage? While the Kejriwal government says the proposal will be implemented after 2-3 months of proper analysis, at the outset, it seems short-sighted.

TRADE WARS

TRUMP SEEMS UNFAZED BY THE POSSIBLE LONG-TERM EFFECTS OF A PROTRACTED TRADE WAR: A DECOUPLING OF THE CHINESE AND AMERICAN ECONOMIES, AND A LOSS OF GAINS FROM TRADE

The real cost of Trump's tariffs

JEFFREY FRANKEL

Professor of capital formation & growth, Harvard University

Views are personal

EARLIER THIS MONTH, US President Donald Trump suddenly revealed that a trade agreement between the United States and China was not imminent after all. On the contrary, on May 10, the Trump administration raised its previous 10% tariff on $200 billion worth of Chinese goods to 25%, and threatened to apply the same rate to the remaining $300 billion or so of US imports from China by late June. China then retaliated with reciprocal tariffs on $60 billion worth of US exports, effective June 1. Surprised stock markets fell in response, with the S&P 500 down 4% over the first week of the renewed trade war.

US trade policy is now a hot mess of conflicting goals. Given the current impasse in talks with China, and Trump's general unpredictability, the inconsistencies of US trade policy—and their costs—are unlikely to go away soon.

For starters, the US officials and some prominent economists defend the high US tariffs as a regrettable but temporary expedient, and a necessary means to a strategic end. On this view, the tariffs are a weapon that will enable Trump, the consummate dealmaker, to force concessions from China and America's other trading partners.

Yet Trump looks and talks like someone who would be perfectly satisfied if the tariffs became permanent. He continues to insist that China is paying the cost of the tariffs, sending money to the US Treasury. Moreover, he seems unfazed by the possible long-term effects of a protracted trade war: a decoupling of the Chinese and American economies, and a loss of gains from trade; including a dismantling of the supply chains on which so much industry in both countries depends.

At the same time, the Trump administration is demanding that China make it easier for American companies to set up operations in the country—in particular, by ensuring that US firms are not required to hand over technology or other intellectual property to local partners. But this seems inconsistent with Trump's goal of increasing US net exports to China, which would presumably involve American firms producing at home rather than in China.

The incoherence of Trump's trade policies is even more worrying on closer inspection. If higher tariffs remain indefinitely—as now appears possible— the US and the global economy will be worse off.

Trump's gleeful belief that China is helping to fund the US government via the tariffs is outlandish. A tariff is a tax, and it is US consumers and firms, not China, who are paying it. True, Chinese exporters might in theory have had to lower their prices if US tariffs had led to a sufficiently large drop in demand for their products. But, two new studies by eminent economists using 2018 data find that Chinese exporters have not lowered their prices and that, as a result, the full extent of the price increase has been passed through to US households.

> **Trump's gleeful belief that China is helping to fund the US government via the tariffs is outlandish. A tariff is a tax, and it is US consumers and firms, not China, who are paying it**

According to one estimate, if Trump goes ahead with his threat to extend the 25% tariff to all imports from China, the cost for a typical US household will be $300-$800 per year; another puts the additional costs as high as $2,200 per year. Moreover, this does not count the cost to US firms, workers, and farmers from lost exports—the result of Chinese retaliation and other effects, including appreciation of the dollar against the renminbi.

An extended tariff war would also result in a loss of gains from US-China trade. Economists have long said that the public can't be expected to understand the principle of gains from trade without having been taught British economist David Ricardo's principle of comparative advantage. This idea—which states that trade between two countries can be mutually beneficial, even when one country can produce everything more cheaply than the other—was famously described by US economist Paul Samuelson as being both universally true, and yet not obvious.

But in fact, one does not need a full grasp of the principle of comparative advantage to understand the basic idea of mutual gains from trade. If both the buyer and the seller voluntarily agree to the exchange, then they both gain. This assumes that they are each good judges of what they want—or at least, better than the government is. This assumption is usually correct, with some exceptions (such as users' opioid purchases).

To say that both countries gain overall from trade is not to claim that every citizen of each country benefits. Changes in trade or tariffs give rise to both winners and losers within each country. But whereas winners tend to outnumber losers when trade is liberalised, raising tariffs normally has the opposite result.

Trump appears to have engineered a spectacular example of this: his trade war with China has hurt almost every segment of the US economy, and created very few winners. The losers include not only consumers, but also firms and the workers they employ, from farmers losing their export markets to manufacturers forced to pay higher input costs. Even the US auto industry, which did not ask for Trump's "protection," is worse off overall because it has to pay more for imported steel and auto parts.

As a result, Trump has come close to accomplishing something seemingly impossible: tariffs that benefit almost no one. Protectionism is usually explained as the result of special interests wielding disproportionate power. Trump's tariffs against Chinese goods do not fit this theory. And a theory that does explain them may not exist.

The govt should adopt XBRL

The big value of the adoption of XBRL in India will stem from plugging the leakages in government spending

S SWAMINATHAN

CEO of IRIS Business Services Ltd.

Views are personal

TO THE MODI government 2.0: As you embark on the preparation of your maiden budget, this is an idea I hope you will consider.

XBRL is an open source information reporting standard through the adoption of which you can cut government flab and more significantly, ensure the effectiveness of government spending.

In Australia they saved as much as A$400 million in 2014/15 and followed up with a saving of A$1.1 billion in 2015/16. Encouraged by the huge savings reaped by Australia and the Netherlands which had a similar experience to report, several other countries like Turkey, Canada and Finland are adopting a similar approach. I am convinced that in India, we will save a great deal more every year. Allow me to explain how.

Most of the savings in Australia came from the elimination of red tape. Businesses saved money through a reduction in regulatory burden, while the government saved money by de-layering the bureaucracy engaged in regulatory oversight.

While both of these will certainly apply in the Indian case too, the much larger benefit will come from elsewhere. One may recall how the late Prime Minister Rajiv Gandhi famously pointed out that only 15 paisa of every rupee spent by the government reached the intended beneficiary. The big value of the adoption of XBRL in India will stem from plugging the leakages in government spending. The 15 paisa can easily double within a year and can be much closer to the total outlay; net of legitimate administrative costs by the time the term of this government gets over. Just imagine the impact on the economy if most of that money reached the intended beneficiary. India will suddenly look so different, wouldn't it? With XBRL that can happen. I will use an example to illustrate.

The Ministry of Rural Development had a total budget outlay of ₹1,14,915 crore for 2018/19. This money is spent on the government machinery set up to administer various programmes, and also on several lakh NGOs who help with the implementation of various programmes. It has come to light, in the course of a case which is now being heard in the supreme Court, that only 2,90,787 NGOs out of a total of 29,99,623 registered under the Societies Registration Act, and even file annual financial statements. And the government is generally unaware if even those that are filing their annual financial statements are using the funds properly.

> **The Ministry of Corporate Affairs and the RBI have both adopted XBRL, though it is the RBI that has benefited the most**

It is humanly impossible to verify the financial statement of each of the NGOs to determine everything is kosher. And it certainly does not help if they file their statements in hard copy or even pdf. By moving from document based submission to data filings, which is what XBRL will entail, the government will simply tighten oversight. This makes it possible for the government to act speedily and expeditiously against those that are not spending the funds right.

In India, the Ministry of Corporate Affairs and the RBI have both adopted XBRL, though it is the RBI that has benefited the most. Even so, the MCA is not unaware of the possibilities of XBRL, as their website reveals: "XBRL offers major benefits at all stages of business reporting and analysis. The benefits are seen in automation, cost saving, faster, more reliable and more accurate handling of data, improved analysis and in better quality of information and decision-making. All types of organisations can use XBRL to save costs and improve efficiency in handling business and financial information. Because XBRL is extensible and flexible, it can be adapted to a wide variety of different requirements."

Over at the Reserve Bank of India, they will admit that the reason why bank NPAs have been the subject of drawing room discussions across the country is because the use of XBRL has made it expensive for banks to hide their NPAs. Without a doubt, the oversight of banks by the RBI has been greatly strengthened by the adoption of XBRL.

The time has come to consider mainstreaming XBRL across the entire government, across all departments, and across all ministries. If the government through the use of XBRL for reporting manages to tighten oversight, it stands to reason that even with a lower outlay, an outcome superior to what is realised now can be achieved.

Over the decades of budget making in a leaking system, outlays mattered. But now, outcomes will begin to matter. And nobody can have any objection to getting a bigger bang for the buck, surely.

LETTERS TO THE EDITOR

Retaliation to the Hindi imposition

Following the emergence of vociferous protest and strident criticism from states, like Tamilnadu and West Bengal against three language formula recommended by draft new education policy authored by Kasturirangan committee, the draft was revised finally to assuage the apprehensions about the imposition of Hindi in non-Hindi speaking states. India is known for its diversity, any effort by the centre to impose language of Hindi on non- Hindi speaking states needs to be decried. Language learning at best be left to the discretion of learners and imposition or thrust of language like Hindi on states like Tamilnadu militates against the very spirit of Federalism.

— M Jeyaram, Sholavandan

No negative impact of GSP withdrawal

It is commendable that US implemented and maintained GSP status very sophisticatedly till date. It helped a lot of Indian companies to enter and get tariff-free access in the US market. Now the withdrawal of GSP has been taking place, as now the US considers India, neither still a developing country nor a country which requires assistance from other nations. To this withdrawal Indian government is not only not responding much, but also not retailiating/imposing taxes. This is majorly because of two reasons, firstly GSP wasn't a compulsion, it was an obligation, and secondly, future prospects are kept in mind as the reports of Indo-American Chamber of Commerce states that Indo-American trade would increase to $500 billion by 2023-24 from $142 billion at present.

— Mayank Khatri, Ujjain

●Write to us at feletters@expressindia.com

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TV MOHANDAS PAI & NISHA HOLLA

Pai is chairman, Aarin Capital Partners, and Holla is an entrepreneur & independent researcher

EDUCATING WOMEN

Holding up half the sky

Improving women's higher education is key to India becoming a $10 -trillion economy

THE NATIONAL FERTILITY and Health Survey-4 shows India's fertility rates have dramatically dropped to 2.18, below replacement rate, as analysed in our previous article (bit.ly/2JM6u4f). Demographics are changing across the socio-religious spectrum and are strongly correlated with women's education and literacy, as discussed in another article (bit.ly/2MtXsLY). We look at women's progress in higher education to further understand this change.

Higher education statistics published by AISHE, MHRD from 2011-12 to 2017-18 show an increasing trend. Total number of males enrolled increased by 30.3 lakhs, 18.7%, in 6 years, while the number of women enrolled increased by 44.3 lakhs, a whopping 34% rise. The compound annual growth rate (CAGR) for total enrollment is 3.87%, with males at 2.9% and females at 5%. The percentage of enrolled women rose from 44.6% in 2011-12 to 47.6% in 2017-18. More women are pursuing higher education now than ever before.

Extrapolating the data out to 2030 indicates the number of women pursuing higher education might soon exceed that of men; 2024-25 could see a normalisation between genders, and 2029-30 could see as much as 53% enrollment of women, a dramatic shift. Many countries around the world have undergone this. In the United States, according to official statistics, 56% of undergraduates are women. India is following this trend.

The total Gross Enrollment Ratio (GER) in the 18-23 years age group is steadily increasing from 20.8 in 2011-12 to 25.8 in 2017-18. Male enrollment increased from GER of 22.1 to 26.3, a 19% increase. Female enrollment rose even faster, with a GER under 20 to 25.4, a significant jump of 30%. The GER between genders is normalising, again indicating that more women are turning towards higher education to improve their livelihood.

These trends show a silent revolution over the last decade, with significant implications for fertility rates and the economy. It would seem that as more women are turning towards higher education and correspondingly better employment opportunities, they are delaying childbirth and having fewer children. Higher education is one of the contributors to the levelling off of population growth.

With India's 29 states having diverse economic conditions, variance in state-wise GER is huge. The accompanying graphic contains GER of representative states in North and South India for 2011-12 and 2017-18. On average, North Indian states have much lower GER compared to South, and the divergence is increasing. GER also correlates with development—Bihar's GER moved nominally by 0.5 points in six years and also trails in development metrics.

The population-weighted averages of representative North and South Indian states are computed in the accompanying graphic. Significant observations are:

■ Both the North and South GER have progressed significantly in the last decade. North Indian states have progressed by 4.88 points and South Indian states by 6.33 points from 2011-12 to 2017-18.

■ The difference between the Northern and Southern states of India is striking. On average, the GER of South Indian states is ahead of the North Indian states by 13.37 points in 2017-18.

■ Women are progressing faster than men. In North India, the average female GER jumped 5.91 points from 2011-12 to 2017-18, whereas the male GER moved 4.03 points. In South India, the female GER jumped 6.67 points whereas the male GER moved 4.49 points.

The status of women has dramatically increased in India. At the time of Independence, policymakers did not focus on educating women. As a result, household income and India's GDP did not grow as much as it could have. Contrast this with China—with the establishment of the People's Republic of China in 1949, chairman Mao Tse Tung famously said, "Women hold up half the sky," and instituted strict policies to educate women. The result is evident today in women's workforce participation, and contribution to China's GDP and outstanding rise as a Top-2 economy. With India's women pursuing higher education in larger numbers, they must be empowered to contribute to the nation's growth. It is opportune for India to leverage this economic multiplier to its GDP as it sets course for the USD 10 trillion mark.

The need of the hour is to provide the educated population with quality employment prospects. These must include incentives for the participation and traction of women in the workforce. Many women in India are primary caregivers for their children and other family members. Employment policies must take these constraints into account so women can have the flexibility to work around their schedules. Otherwise, well-educated women will have no option but to drop out of the workforce, which is a loss for everyone—from the individual to her family to the nation.

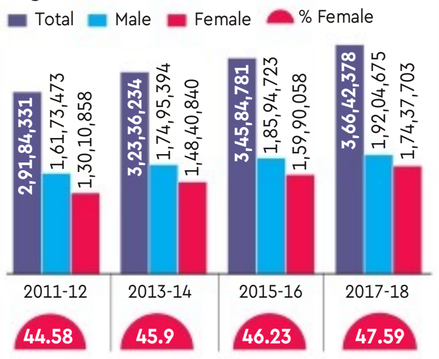
Fertility survey data indicates there will be fewer young people twenty years from now. This will result in India's workforce shrinking rapidly while supporting an ageing population. Instead, if more women are incentivised to work, they will contribute to society and the GDP for a long time, especially given that Indian lifespans and general well-being are also increasing.

Policy can also examine which fields women are pursuing more and focus on retention there. AISHE data shows that for the first time in 2017-18, enrollment in MBBS had more women, 50.3%, than men. If workforce participation for women doctors is improved through policy, this could transform India's healthcare system.

The next pertinent question is 'are women in India overtaking men?' and how to deal with this. In South India, educational institutions are resorting to interesting ways of handling the inversion. For example, some pre-university colleges in Bangalore are applying a higher cut-off percentage for women applicants. While this might not be the fairest way, we certainly see a possibility of a ceiling—say 60%—imposed on women enrollment.

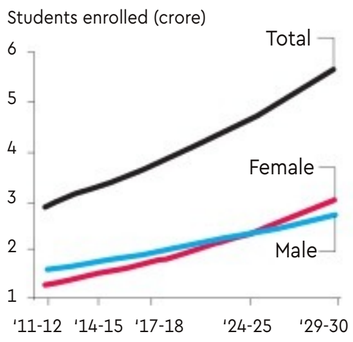
The data from the AISHE and NFHS surveys indicate that the best investment India can make towards economic prosperity and societal progress is in higher education and employment prospects of women.

Year-wise enrollment in higher education in India



(Data from AISHE, MHRD)

Enrollment of women vs men in higher education, projected to 2029-30



Gross enrollment ratio GER) in higher education in India

	'11-12	'13-14	'15-16	'17-18
All Categories	20.8	23	24.5	25.8
Male	22.1	23.9	25.4	26.3
Female	19.4	22	23.5	25.4

Population-weighted averages in the North and South

North India	Male	Female	Total GER
2011-12	17.64	14.56	16.20
2017-18	21.67	20.47	21.08
South India	**Male**	**Female**	**Total GER**
2011-12	30.72	27.02	28.12
2017-18	35.21	33.69	34.45

State-wise GER of representative states

	2011-12			2017-18		
States	Male GER	Female GER	Total GER	Male GER	Female GER	Total GER
Bihar	14	10.8	12.5	14.5	11.5	13
Rajasthan	20.6	15.5	18.2	22.7	20.6	21.7
UP	17.5	17.2	17.4	25.2	26.7	25.9
MP	22	14.6	18.5	21.8	20.5	21.2
W Bengal	15.4	11.8	13.6	19.9	17.6	18.7
Gujarat	18.1	14.7	16.5	21.9	18.2	20.1
Karnataka	24.9	22.7	23.8	27.2	28.5	27.8
Maharashtra	28.1	24.3	23.8	32.6	29.5	31.1
Tamil Nadu	43.2	36.8	40	49.1	48.2	48.6
Andhra	33.3	26.4	29.9	34.7	27.1	30.9
Telangana	-	-	-	37.1	34.2	35.7
Kerala	17.8	25.6	21.8	32	40.4	36.2

AUTOMATION & JOBS

The risks women face

McKinsey Global Institute says 20% of the working women could lose their jobs by 2030 because of automation

THE INEVITABILITY OF automation in the workplace has long triggered fears of human redundancy. In its third report on automation and the future of work, McKinsey Global Institute analyses how the march of artificial intelligence and machine learning impacts women's employment.

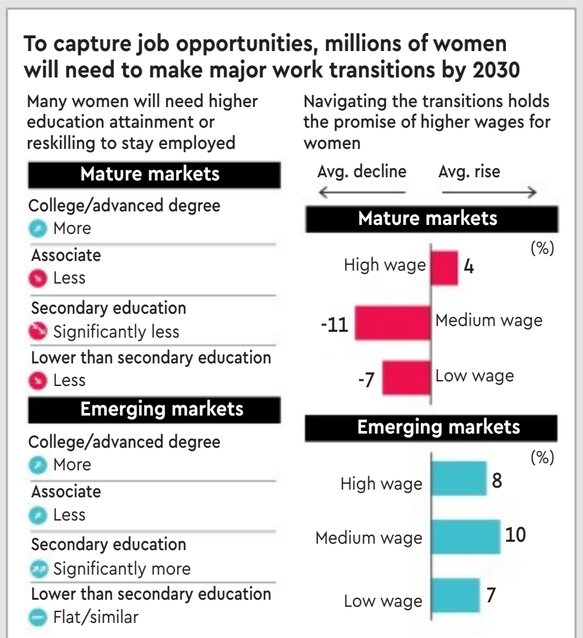
Its findings, from studying a mix of ten mature and emerging economies, including India, are rather bleak. The report estimates that an average of 20% of working women in these countries (a total of 107 million) and 21% of working men (163 million) will lose their jobs to automation by 2030. Jobs in certain sectors, such as client support and manufacturing, face a higher risk than others that involve greater complexity of cognitive, social and emotional skills.

For India, this gives reason for pause. Already, the rate of female participation in the workforce was a mere 22.05% in 2018, compared with the South Asian average of 24.1% and a global average of 39%. Moreover, the majority of working women in India are employed in the agricultural and services sectors, as well as in industries, all of which have immense potential for automation. Losses in agriculture due to automation, for instance, could account for 28% of the jobs lost by women, as per the report.

While the report speaks of a global trend of women facing a slightly lower risk of losing their jobs than men due to the latter's employment in the roles requiring physical labour that are easily automated, India presents as a bit of a corner case. For instance, only 16% of job losses for men are expected to stem from the automation of agriculture. Further, unlike the other countries studied, in India, healthcare—a sector likely to be less impacted by automation—is not dominated by women.

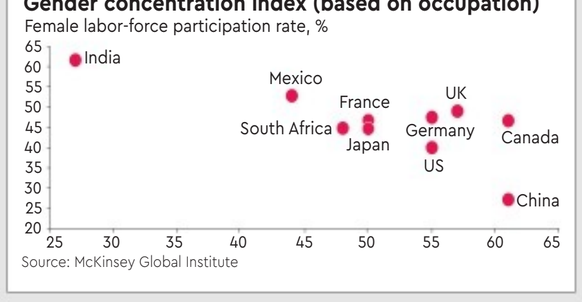
The report also states that women could gain 20% more jobs in the wake of technology-driven growth, outperforming men by 1%. This gain, however, is dependent on women's ability to maintain their current share of employment. Since women work in lower-paid jobs than men, and demand is expected to grow in medium- and high-wage jobs, women's access to the approximately 150 million net jobs that could be created is subject to their ability to make the transitions required into available jobs. Given how the burden of unpaid house/care work falls almost entirely on women's shoulders, and there are lingering concerns over women's physical safety and their lack of access to technology, obtaining the necessary training to make such a transition poses a unique problem. Policy makers must intervene to overcome these barriers to ensure growth, both for women and the economy.

To capture job opportunities, millions of women will need to make major work transitions by 2030



Gender concentration index (based on occupation)

Female labor-force participation rate, %



Source: McKinsey Global Institute

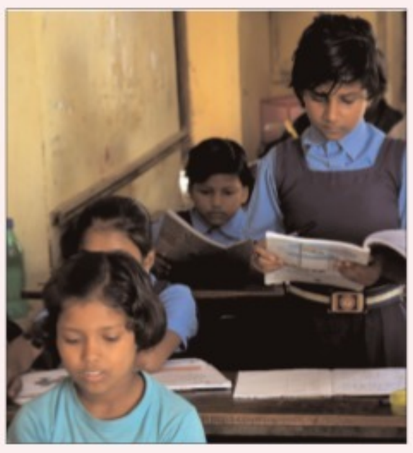
EDUCATION REFORMS

Towards real learning in schools

The new government must prioritise implementation as much, if not more, as developing new policies

ANKUR BANSAL

Co-founder, Samagra Transforming Governance



THE GOVERNMENT HAS RELEASED a draft of the much-awaited New Education Policy (NEP) for comments. This policy, like many before it, provides a macro overview of a host of things the government wants to accomplish. In a sense, it is a list of 'what' the government wants to do, but missing in the NEP, as with much policy thinking, is the critical 'how'. Only when a policy appreciates or addresses the complexity of the 'how' can it have a clear and focused view of the 'what'. Just as the Sarva Shiksha Abhiyan and RTE Act were targeted measures to address the issue of access to elementary education, the government needs a similar approach to improve the quality of education.

A systemic approach to transforming school education can substantially alter the education ecosystem for the better. Such an approach entails both academic and governance reforms. The problems plaguing the system range from those related to pedagogy, such as inordinate focus on syllabus completion rather than grade-competency, poorly-designed assessments, cascaded teacher training mechanism, and administrative issues such as inefficient review and monitoring mechanisms, inefficient mechanism for scheme delivery, and lack of data availability for right decision making.

Systemic approach: At the core of this is improving learning outcomes. First, shift focus from syllabus completion to making students grade-competent, i.e. ensuring they can comprehend learning material appropriate to their grade. Second, ensure that regular, standardised assessments are administered across all schools in a state which test students on these competencies. Performance data from these assessments should be available in an easy-to-comprehend manner for all stakeholders. This is critical to benchmark performance and allow teachers to take corrective action. Third, to address the issue of thousands of children not being grade-competent, state-wide, structured remedial or practice workbook programmes are necessary.

Critical to the implementation of these academic reforms is strengthening human capital and administrative systems. The former entails ensuring that adequate number of teachers are available in classrooms as well as providing them with the tools necessary to teach better, including timely, need-based training. The latter includes consolidating unviable, small schools into larger schools for efficient utilisation of resources (human and physical), and using technology and data to increase administrative efficiency.

Effective implementation of these reforms rests on driving accountability, not just among teachers but the entire administrative machinery that constitutes the education system. Finally, the kind of reforms that are needed to overhaul the education system cannot happen without the political and bureaucratic leadership of states pushing for these changes from the top.

Implementing systemic reforms: The framework described above is not meant to be theory. It has been developed based on the experience of states such as Andhra Pradesh, Haryana and Himachal Pradesh that have adopted a systemic approach to transforming education. To get a better sense of how the systemic approach works, let's look at the reforms these states have undertaken.

All 8,556 primary government schools in Haryana conduct remedial classes for 10 lakh students during the first 45 minutes of the school day, with the schedule of lessons aligned to the content taught in the classroom. To fix accountability, Haryana has developed an Academic Monitoring System that keeps a check on all stakeholders (teachers, block and state officials). Monitoring officials regularly visit schools to observe classroom transactions, teaching methods, assess student performance and implementation of the remedial programme. Their insights are recorded on an Academic Monitoring Dashboard that is used during review meetings. The Saksham Ghoshna campaign puts the onus of achieving a specific target (in terms of a benchmark for grade-competence) on blocks, and devolves ownership and accountability from the state to teachers, district and block officials. Through third-party assessment, blocks are declared 'Saksham' if more than 80% students are grade-competent.

In 2016, Himachal became the first state to ensure delivery of textbooks to 6 lakh students in 15,000 schools before the start of the academic year. Overcoming constraints of weather and terrain, the state's Department of Elementary Education worked with the Himachal Pradesh Board of School Education to streamline the supply chain of textbook delivery by using technological solutions to introduce speed, efficiency and transparency. Since 2016, the state has ensured timely delivery of textbooks every year. Himachal has also been at the forefront of adopting technology to improve the quality of training provided to teachers. In-person teacher training is an annual exercise in all states. While useful, this training is not sufficient. To address this, Himachal Pradesh collaborated with a firm that provides training content for teachers through a mobile app.

Andhra has set up a central assessment cell that designs and administers standardised assessments across the state to 25 lakh students. The results of these assessments are uploaded on an assessment dashboard, integrated with the CM's dashboard, within 10-12 days. This ensures timely availability of critical information on student performance to all stakeholders. Gnana Dhaara, a summer residential remedial programme in Andhra, is organised for students of classes 6 and 10 in government schools.

Way forward: The new government must prioritise implementation as much as, if not more than, developing new policies. It should encourage states to constitute an outcome-focused programme management to learn from the systemic approach taken by some states. The HRD ministry can then encourage more states to embark on their own journey of systemic education transformation. A targeted strategy, rather than piecemeal interventions, can go a long way in sustainably improving learning levels of students.