

Opinion

SUNDAY, JULY 23, 2017

THERE IS A government policy for everything. It is often gobbledygook, for example the Import-Export Policy until 1991-92.

Therefore, it was no surprise that the government and the public sector banks claimed that they had a policy on granting education loans. That was true, except that, in actual practice, the loans given by the banks were few; banks invariably insisted on collateral; and the borrowing students generally belonged to well-to-do families that could provide collateral security. The poor were shut out, absolutely and physically.

How Poor Were Shut Out

In 2005, I began to take a closer look at the so-called policy on education loans. I found that loans were simply not given to the poor. Among the poor, the few who got admission in a college relied on the few scholarships that were available or sold the few assets they had — usually a patch of land or bits of jewellery. Bank managements had stripped the branch managers of the power to grant education loans and insisted that the applications be sent to the regional office or the head office for appraisal and decision.

Bank managers routinely turned away an applicant on the ground that her place of residence or the place of the college did not fall within the service area of the branch. If a persevering applicant was able to cross all the hurdles, the ultimate weapon of denial was to demand collateral. In case the student was able to provide the collateral, citing some obscure rule, only a part of the amount applied for was sanctioned.

We changed that situation by deliberate and forceful intervention. As a result, the number of education loans went up, the average size of the loan went up and the total amount disbursed went up year after year. Banks were required to empower their branches to grant education loans. Banks were forbidden to ask for collateral except in the case of a loan in excess of ₹7,50,000. The concept of service area was abolished. Slow but steady progress was made. Between 2007-08 and 2013-14 the average growth rate was 20%.

Social, Economic Profile Changed

More than the number or the average size of the loans disbursed, the dramatic change was in the social and economic profile of the students. Thousands of first-generation learners got loans. Banks organised events at which education loans were given to wards of small farmers, agricultural labourers, Class IV government servants, daily wage earners, street vendors (of idlis, for instance) and so on. Many of the borrowers belonged to the Scheduled Castes or Other Backward Classes, many were girls. The case that is imprinted in my memory is of an itinerant, drum-rolling soothsayer (*keudu kuduppai karan*) who proudly declared that his son had got an education loan to study engineering!

When the UPA demitted office, as on March 31, 2014, the number of education loans that were outstanding was 7,66,314 and the amount outstanding was ₹ 58,551 crore. To this must be added the number of education loans that had been disbursed during the 10-year period and returned by the borrowers. The programme had fired the dreams of hundreds of thousands of families.

Alas, that chapter seems to have drawn to a close under the NDA government. Look at the Table.

ACROSS THE AISLE

P Chidambaram



The poor shall not dream



Graduates are unable to repay education loans because they cannot find jobs in a period of jobless growth

	31-3-2014	31-3-2015	31-3-2016	31-12-2016
Number of loans	7,66,314	6,68,889	5,98,187	
Amount outstanding	58,551	61,259	68,613	
Amount as NPA	3,389	3,670	4,763	6,336

Amount in ₹ crore; Source: Parliament Q&A

Wherever I go, I hear that education loans have dried up. The average growth rate in the last years is just 5.3%. When a programme winds down, the worst affected will be the poor who do not have any influence or connections. The message seems to have gone out that education loans are not a priority. The ostensible reason is that the NPA level of education loans is high. The powers that be are deaf to the argument that graduates are unable to repay the loans because they cannot find jobs in a period of jobless growth.

Once the banks got the message, they

have gone after borrowers like savage moneylenders — sending 'recovery agents' (read musclemen), invoking sureties, encashing the collateral, filing suits, etc.

Resolution Only For Rich

It is the ostensible reason that makes me angry. Assume that all the NPA accounts will be loss accounts, the total loss at the end of December 31, 2016, will be ₹ 6,336 crore. Compare that number with the amount at stake in the 12 corporate group

accounts referred under the Insolvency and Bankruptcy Code: over ₹250,000 crore, of which over 60% is NPA! When the 12 cases go through the IBC process, whatever may be the mode of resolution, the banks are expected to take a hit of at least 30-50% of the total amount.

Twelve promoter groups will cause the banks a humongous loss of ₹75,000 to ₹1,25,000 crore. That will be called 'financial resolution', the promoters will lose their equity in the company, but lending will resume to the groups. At its worst, the thousands of families that took education loans will cause the banks a loss of ₹6,336 crore (or let's stretch it to ₹10,000 crore). There is no resolution plan for such loans; it will be called 'financial catastrophe' and all education loans will be stopped. Do you see the true face of the development-cum-welfare State?



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INSIDE TRACK

COOMI KAPOOR

Compromise formula

Reports in a section of the media last week that when the Congress organisational elections are held at the end of the year, Sonia Gandhi may continue as president since her health has improved, can be taken with a pinch of salt. The news stories seem to have emanated from those who fear they would be marginalised when Rahul formally takes charge. While Sonia is reportedly uneasy that her son has not shown signs of growing into the role expected of him, she, nevertheless, still wants him to take over. A compromise being contemplated is that while Rahul becomes party president, Sonia will take over as chairperson of the Congress Parliamentary Board (CPB). According to the party constitution, the CPB is, in fact, the real decision-making body, more powerful than the Congress Working Committee. But for some reason, there has been no CPB since 1991. If the board is to be reconstituted, Sonia could pick a majority of its 10 members from among her long-time advisers.

Not a secret

Unlike the secrecy surrounding the announcement of Ram Nath Kovind's name as the NDA presidential candidate, till two days before M Venkaiah Naidu was nominated as its vice-presidential choice, there were rumours that he would get the prestigious post. Naidu only strengthened the suspicion by putting out an unusual statement last Sunday evening, stating that it was not proper for the media to speculate on names for a Constitutional post. On Monday morning, inside Parliament, MPs from different parties congratulated Naidu on his vice-presidential nomination, long before it was officially announced. Naidu did not appear overly jubilant; he had hoped for the president's post, not that of the V-P. (He, however, explained his lack of enthusiasm by saying he was sad at having to leave the party he had worked for since childhood.) Ironically, even some of Naidu's fellow Andhra MPs from the TDP were unhappy with the NDA's decision. Their objection was that Naidu as Minister for Urban Development had facilitated all of Chief Minister Chandrababu Naidu's plans for the new capital Amravati. They felt that the state would now be at a disadvantage without a powerful godfather in the Cabinet.

Aam aadmi president

Unlike some of his predecessors, BJP

president Amit Shah makes it a point not to travel by chartered planes, except during poll campaigns. He generally takes commercial flights. Even when he travels to distant regions such as Leh or the Northeast, Shah hops on to Pawan Hans choppers, that operate in the region, along with other passengers. During official trips, he does not book into hotels but stays overnight with party workers at their homes. He feels this gives him a better insight into the political mood in the region he is travelling.

Unofficial ban

Two English news channels have been so strident in supporting the ruling party and mocking the Congress, that the Congress's media cell has decided to ban spokespersons from appearing on them. However, since the boycott is unofficial, not all Congress members are aware that the channels have been blacklisted. Media in-charge Randeep Surjewala was upset when he saw a senior Congress MP holding forth on his recently-released book on one of the blackballed channels. He chided the MP, who explained that he had no clue about the ban.

Staying put

The Centre was puzzled that the attention-grabbing agitation by Tamil Nadu farmers had continued uninterrupted for nearly 100 days in Delhi. Normally, demonstrators from outside the Capital leave within a few days because they have no arrangements for food and shelter. Enquiries showed that the Tamil farmers had discovered that the nearby Gurdwara Bangla Sahib offers free food at its daily langars. The farmers have developed a relationship with the gurdwara workers to such an extent that they are even being provided free accommodation at the gurdwara. Good reason why they don't feel inclined to pack up and go home.

No loss, only gain

When M Venkaiah Naidu was filing his nomination for vice-president, Sushma Swaraj joked that his new job would deprive him of two key passions — the media and frequent travels. Arun Jaitley pointed out that, in fact, Naidu would not be losing out. He can still give his irrepressible sound bites, since as chairperson of the Upper House, he will have Rajya Sabha TV at his command. And as V-P, he is entitled to use the Air Force special plane whenever he wants to travel on official work, either within the country or outside.

No scope for excuses

With the appointment of Ravi Shastri as head coach, the Indian cricket team is now ready to embark on a journey towards a brighter future

RINGSIDE VIEW

Shamik Chakrabarty



VIRAT KOHLI WANTED Ravi Shastri as head coach. He got him. Shastri wanted Bharat Arun as bowling coach in his "core team". He got him. To paraphrase the Leicester City Football Club anthem (apologies for drawing a football analogy), dilly-ding, dilly-done. The Indian cricket team is now ready to embark on a journey towards a brighter future, with no scope for excuses.

At his unveiling as the new Indian team head coach, Shastri spoke about how he was "very clear" about his "core team". "I was in England and watching tennis. I was very clear in my mind what my core team would be," he said, when asked about the confusion over the Indian team's support staff. All's well that ends well. Then again, the Cricket Advisory Committee (CAC) comprising Sachin Tendulkar, Sourav Ganguly and VVS Laxman, had spoken to the head coach before finalising Zaheer Khan and Rahul Dravid as bowling and batting consultants, respectively. The Indian cricket board had sent a press release accordingly before making a U-turn.

The Supreme Court-appointed Committee of Administrators (COA) described the CAC as "recommendatory" after hailing the cricket committee.

"The Cricket Advisory Committee has made its recommendation regarding the coach. It is a comprehensive recommendation covering all aspects of the coaching requirement of any team. They have applied themselves to the cause at hand with dedication and commitment. This is exactly what we had expected from a committee of such distinguished cricketers. On behalf of all interested in 'Cricket India', BCCI and the COA, I thank them for the service so willingly rendered by them. We accept their recommendation in totality," the cricket board release said, adding: "Now that they have made the choice, we sincerely feel that the new combination will steward the team to number 1 position in the World Cup."

The subsequent turn of events—setting up a committee to discuss the support staff issue with Shastri and acceding to his wishes—diminished the CAC's stature and authority considerably.

Make no mistake, Shastri's demand of having the support staff of his choice was perfectly legitimate. It's an accepted custom in sport that head coach brings in his own core team of assistants. But professionalism and proper leadership in the BCCI could have avoided this flip-flop.



India's cricket team captain Virat Kohli (right) and head coach Ravi Shastri at a press conference in Mumbai recently

"The shameful treatment of Anil Kumble has now been compounded by the cavalier treatment of Zaheer Khan and Rahul Dravid. Kumble, Dravid and Zaheer were true greats of the game who gave it all on the field. They did not deserve this public

humiliation," noted historian and former COA member Ramachandra Guha posted on Twitter.

Now, coming to the CAC's choice of Zaheer as bowling consultant—and a CAC member insists that the former India fast

bowler was contracted for 125 days per year—it looked an excellent selection despite the former India pacer's lack of coaching experience. He mentored the young fast bowlers in the Indian team before moving to Delhi Daredevils after his international retirement. Yes, the CAC overstepped its brief by choosing the consultants. The committee's job was to pick the head coach. But the cricket committee's letter to the COA suggested that the three legends of Indian cricket made their recommendations only after having discussions with the authorities. It's a matter of conjecture if the bowling coach/consultant selection eventually became an ego clash between two individuals who had long ceased to be the best of friends.

Now, about Kohli's preference being given precedence over everything else in terms of appointing the head coach... Kumble became the persona non grata in the dressing room because his style of coaching was presumably an antithesis to the way the team wanted to function, especially off the field. Kumble's man management was old-school that hastened his departure. All said and done, he made a huge impact in players' development, let alone India's five successive Test series wins under his charge.

Ravindra Jadeja accounted for 71 scalps in 13 home Tests last season to become the No. 1 bowler in the ICC rankings. R Ashwin

regained his mojo and returned with 82 wickets at 25.28 in 13 home Tests last term. Mind, unlike the season before, when India had laid out virtual minefields for the home Tests against South Africa, matches against New Zealand, England and Australia last winter were played on pretty fair pitches—Pune was an aberration.

Kumble threw young Kuldeep Yadav in at the deep end against Australia at Dharamsala, when a shoulder injury had ruled Kohli out of the Test. A callow chinaman bowler replaced one of the best batsmen in world cricket and team captain; an extreme rarity in Indian cricket. But the then India coach had the courage of convictions. He unearthed a serious talent; a potential match-winner in the long run. Kumble also contributed significantly in Cheteshwar Pujara's improvement as a batsman.

No disrespect to Shastri. He did a commendable job as the Indian team director from August 2014 to March 2016. But now that he and his captain have all the bases covered, India must reach the next level. Shedding the poor travellers tag should be a priority and the team will get an opportunity in this regard in South Africa a few months down the line. The days of slipping under the excuse of following a process should be over. It's now the results that matter.