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Flagging recovery

Another rate cut will not help at this point

Flagging economic recovery would be a key concern for the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI), which is meeting to review the policy this week. The Manufacturing Purchasing Managers' Index, for instance, fell to 46 in July against 47.2 in June. Although a reading below 50 indicates contraction, the latest print suggests firms are facing difficulties and economic activity would remain muted until the virus is contained. A number of states have imposed localised lockdown, which is affecting supply chains and consumer demand. Other indicators also underscore this. Mobility indices, which track movements of people, have declined. A recent note by Nomura highlighted that economic recovery, measured by an index, is stuck at about 30 percentage points below normal.

Goods and services tax collection in July was lower by 14.6 per cent, year-on-year, as a large part of the service economy is still not allowed to operate. Car sales recovered sharply in July, but may not be reflecting the correct picture. Since producers report dispatches to dealers as sales, one-month data may not reflect the actual demand situation. However, the employment situation seems to have improved significantly. The unemployment rate, according to the Centre for Monitoring Indian Economy, fell to 7.43 per cent in July, which is lower than the level seen in February 2020. The MPC will need to discuss to what extent it intends to keep real interest rates in the negative zone, because it can affect inflation outcomes. Negative real interest rates could also force savers into asset markets like equities and real estate, which can create asset price bubbles. Further, there is plenty of liquidity sloshing in the system, which has effectively reduced the importance of the policy repo rate. The central bank would need to address this issue because liquidity may continue to rise and affect inflation outcomes.

The RBI is slightly intervening in the currency market, which has increased rupee liquidity in the system. Since the fall in imports is expected to result in a significant balance of payments surplus in the coming quarters, and continued intervention will lead to higher liquidity, it is perhaps time to limit access to international debt. Therefore, with the given financial conditions, uncertainty on the inflation front, and the fact that the RBI has provided significant accommodation in recent months, it is advisable to keep the policy rates unchanged. The MPC would do well to wait and watch how the financial and inflation conditions evolve in the near term. Another rate cut will not have a significant impact on economic activity at this stage because it is largely being constrained by the continuous spread of Covid-19.

A continuing fight

India is far from the pandemic peak

India now has over 1.8 million confirmed cases of Covid-19. Of those more than 580,000 are active. The highest number of new cases daily in the world is in India, even more than in the United States — in spite of its relatively low and inaccurate testing mechanisms. July saw the cases in India treble — they were under 600,000 at the end of June. It is worth noting that the dismal mathematics of a pandemic make even some good news sound bad. For example, the fact is that the number of cases per million in India is fewer than 1,400, a fraction of what it is in countries like Brazil or the US. Even if the differential testing ratio is ignored — Brazil and India have both tested at similarly low rates — a low number of cases per million also suggests the pandemic has considerable room to expand. There is every reason to fear, for example, that August will see an expansion of the pandemic into states and Union Territories that have not so far succumbed in great measure. Even though things have improved in some areas, the spread would lead to a further doubling, or even tripling, of the numbers. Preventing this spread must remain the priority for both the Union and state governments for the foreseeable future.

There are some reasons why a certain degree of overconfidence has crept in. For one, the death rate per million remains very low in India — under 30 — as compared to three-digit figures in many European countries. While that is an achievement, it might be dangerous to extrapolate from that. Death rates might be understated because of misreporting — and death statistics in India had been problematic even when there was no pandemic. India also has a fairly favourable age distribution of the population, which means it is more appropriate to compare the mortality rates for specific subgroups — the elderly, those with co-morbidities — than the aggregate rates. Finally, the experience in Europe and in Wuhan has revealed the effort in the pandemic must be to keep the number of severe cases as low as possible, because once that number passes a threshold determined by the capacity of the healthcare system, the death rate climbs steeply as hospitals turn into battlefields. This has not yet happened in India, but it is worth noting that given India's generally under-provisioned healthcare system, such a threshold will be lower in this country than in Europe, China, or even Brazil.

Thus, neither government nor people can afford to relax. August will continue to be a battle, and India is far from hitting the possible peak of the pandemic, which has a great deal of space still to spread if it is permitted to. Later in the year, complexities will arise with the return of the regular influenza season, which will lead to misdiagnoses and panics. Thus, effort must continue to be focused on the public health crisis. This was always going to be a long haul effort, with no real end till an effective vaccine is broadly available. In spite of some encouraging news, that day still remains some distance away.

Dealing with the Trilemma



BOOK REVIEW

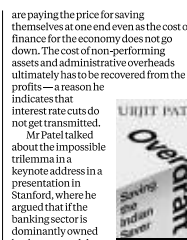
M S SRINAM

Ujjit Patel has been one of the most enigmatic governors of the Reserve Bank of India (RBI) in the recent past. He is known to be simple, shuns protocol, and hardly speaks. Even during his administrative mandatory post monetary policy press conferences, he would largely let his deputies do the talking. The most blistering attack on the state during his tenure was made by Viral Acharya, his deputy, who acknowledged the blessings of Mr Patel in the speech. He was quite a contrast to his predecessor Raghuram Rajan who was accused of speaking beyond his brief. Therefore, it was exciting to hear that Mr Patel had

written a book, because it would offer an insight into his thoughts on several issues. However, at best, this book reiterates what we knew about Mr Patel — a man of few words, a scholar with deep insights. And yes, he is paranoid and, therefore, very careful. The entire book (save for the acknowledgements) has no names and identifies events, institutions and powers in vague terms. Public sector banks are called Government Banks (GBs) and Private Banks are PBs. There are broad dates but no specificities. Most of the book is a reproduction of his statements and speeches during his tenure. We could call this the Complete Words of Patel as RBI Governor.

While his knowledge and expertise is on a wide range of economic issues — his first stint at RBI as a consultant had resulted in a couple of papers including one on pensions but he has been interested in doing so much work on banking. It is interesting that during his tenure there were multiple events that affected the economy but when it came to talking

about them he chose banking. Demonetisation would not be a honeycomb that Mr Patel would like to poke. Writing about banking would be timely, academic and relatively risk-free. He, after all, is one of the many (but significant) voices on reform. The theme is familiar. The basic argument that Mr Patel has been making has its roots in the discourse on banking reform and reducing dominant state ownership and control over the banks. That is an assumption that state-owned banks have a sovereign guarantee and, therefore, safe from depositors' perspective. But sovereign ownership also creates a sense of performance complacency. The punishment by the stock market for non-performance is blunt but it does not ostensibly harm the dominant shareholder. It is the minority shareholder who suffers at the first instance and then (if the insulation of the sovereign is removed) the owner. However, if there is a large overlap between savers and tax payers then they



are paying the price for saving themselves at one end even as the cost of finance for the economy does not go down. The cost of non-performing assets and administrative overheads ultimately has to be recovered from the profits — a reason he indicates that interest rate cuts do not get transmitted. Mr Patel talked about the impossible trilemma in a keynote address in a presentation in Stanford, where he argued that if the banking sector is dominantly owned by the state and the state has a limited fiscal space, then transgressions occur and what is essentially the domain of monetary intervention permeates the fiscal space. If the state itself announces "credit budgets" (giving directions and targets on where capital formation should take place) through commercial institutions controlled by it, then independent regulation suffers. The use of a commercial organisation that is not

completely autonomous for ostensibly developmental objectives that may not fetch market returns would result in stress — and that is what we are seeing with the state-owned banks. This is a problem even if we do not have cronyism, but it is accentuated when that element is added to the mix. One effective way to deal with this is to strengthen regulation. That cannot happen unless: (a) the regulatory framework is common for all players and GBs do not have a special cover from the sovereign; and (b) ownership (or the framework of governance) moves towards "accountancy" where the banks are accountable to the markets — not only for their performance but also for raising incremental capital. Without (b), it is difficult to achieve (a). Mr Patel has been at the root of the problem and discusses it in great detail. The rest of the arguments are about

setting things right. One could do this by intermediate measures of reform — create insularity between the state and the bank by having an independent authority to appoint/dismiss the management; empower boards; and empower the regulator to take actions that are not different from the leeway available for private banks. These intermediate measures have been tried in bits and pieces at different times. However, while the middle is strengthening, the "Empire" (almost always) Strikes Back, as Mr Patel puts it. So, this argument is not about privatisation or ownership but about having an appropriate accountability framework for the role and function of the entity that dictates the economy. If the ownership predicated the accountability framework, that needs to change. From past efforts at reform that seems to be the only way in which we do not misspense. Is anybody listening? Well, they did not listen to the governor; would they listen to a former governor?

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ILLUSTRATION: BINAY SINHA



The importance of high-yield markets

Their role in fuelling the success of the US shale industry offers lessons for India's economy today

When one studies the evolution and growth of the shale industry in the US, one realises that it is a truly amazing success story. A triumph of entrepreneurship, technology, regulatory forbearance and private property rights. A bunch of wildcat drillers took the risk and were backed to the hilt by the capital markets. Largely due to the boom in shale oil or tight oil, US oil production, which had peaked in 1970 at 10 million barrels per day (MbpD), has hit new highs in the last few years. After declining to 6 MbpD in 2008, US oil production reversed course to reach 12 MbpD in 2019. The surge in production, which is entirely due to shale, has given the US energy independence and changed the economics and geopolitics of the petroleum industry. Today, US shale oil is the price-setter and produces the marginal barrel of oil.

The initial impact of shale was on natural gas, where it drove prices to new lows and spurred the consumption of gas for power, reducing the dependence on coal.

Whichever way you cut it, shale has been a huge positive for the US economy, boosting capital expenditure, improving energy security and lowering the cost of manufacturing.

What many do not know is the integral role the capital markets, especially debt and high-yield markets, had in enabling the shale revolution. Oil and gas high-yield issuance really took off in 2010 at the outset of the US shale oil revolution. Shale had been enabled by the decade-long rise in oil prices, which peaked at \$150/barrel in 2008. Between 2010 and 2014, we saw over \$510 billion of high-yield debt issuance by the oil and gas sector, peaking at \$160 billion in 2014. Issuance then stabilised at approx-

imately \$100 billion per annum between 2015 and 2019. So, a trillion dollar was raised over the last 10 years. Taking into account the average tenure of issuance, there is about \$640 billion of high-yield debt still outstanding today (source: Dealogic).

The controversy in the space today is over the refinancing risk on all this high-yield debt. More than one-third, about \$222 billion, will come up for repayment in the next two years. If the high-yield market does not support, we will see a wave of bankruptcies and well shut-ins. Already so far in 2020, high-yield issuance for the energy sector has dropped significantly, with only \$30 billion issued to date. The high-yield markets will, in effect, decide the long-term future of the industry. With no or limited funding, there will be no future growth in drilling and production. With no new drilling, shale oil production will drop, given the depletion rates of older fields.

Shale would never have reached scale without the debt markets. Banks on their own did not have the risk appetite.

Now why is all this relevant to India? Beyond the obvious sensitivity to oil prices, as shale oil production declines, oil prices will rise, negatively impacting the Indian economy.

However, the longer-term lessons are in trying to understand the importance of high-yield debt markets, and the critical role they can play in building our infrastructure and new industries.

In India today post the IL&FS debacle, the failure of Dewan Housing and the closing of the Franklin corporate bond funds, there is no longer much of a high-yield market. Trading volumes have collapsed, and it is difficult to issue any new paper. This is even though many in India characterise any instrument with a rating below AA as being high yield. The gen-

uine high-yield instruments below investment grade rating (BBB) have almost no market or trading at all.

We have to find ways to revive the high-yield markets (anything below AA rating), if we have to reduce our dependence on the banks. The sad fact remains that at present 60-65 per cent of our financial system, all public sector banks (PSBs) — excluding the State Bank of India — most non-banking financial companies and most smaller private banks are in no position to lend. Either they lack capital, funding, risk appetite or management. Coming out of Covid, we will only have five to six large banks which will have the willingness and ability to lend. All of them are raising capital as we speak, soaking up whatever capital the markets will give. For growth to ever revive in the economy, we need more sources of capital than these six banks. These banks will all do phenomenally well, but they cannot support the growth of the entire economy. It is a well documented fact that our growth slowdown is closely related to the financial system stress of the past few years.

There are numerous reports and suggestions on how to revive the bond markets. From increasing the pool of eligible players and eligible assets, to bringing in more foreign portfolio investment and encouraging retail flows, little steps need to be taken quickly. A period of low rates may also help, as the search for yield may change risk appetite among institutional players as they have no choice but to move further out on the risk curve to meet target or promised yields.

A vibrant bond market, both investment grade and lower credits, is critical to help the economy come back on its feet. No bank today wants to take on large chunky corporate exposures. No bank wants to fund infrastructure or green-field projects. All the six relevant banks have promised their investors that they will not increase the risks they take on in corporate bond. Investors are tracking the quality of the corporate book like hawks. Any rise in perceived riskiness and stocks tank.

How will new projects and infrastructure get funded? Who will provide the debt needed to build new assets? Eventually, the government cannot build all the new infrastructure. Private capital is also required. The debt market needs to be decentralised credit risk and spread it through the system, so that no one institution is left holding disproportionate credit exposures. They are also needed to break through the risk aversion, as banks are coming through the worst corporate credit cycle in their history. They are naturally risk-averse. We need to put in place new structures like alternative investment funds that can house the credit and tenure risk inherent in green-field assets. The risk taken must be transparent and the returns commensurate with the risk.

Whatever regulatory and structural changes are needed to revive the bond markets must be done. They are critical to eventually rebooting our economic growth.

The writer is with Amansa Capital

Whither nuclear energy?

It has been exactly 15 years since the announcement of the historic US-India Civilian Nuclear Agreement. This high-profile deal signed in 2005 by then prime minister Manmohan Singh and US president George W. Bush dominated Indian politics through the second half of the previous decade and involved bitter infighting within the then government between the left, adamantly opposed to the deal, and Mr Singh, who personally fought for it and risked his personal, as well as the Congress Party's future. In retrospect, it all seems a fight over nothing.

Simple statistics bear this out. As of March 2008, the same year that the agreement was finally signed by both sides, the share of nuclear power in total installed electricity generation capacity was 2.9 per cent. Twelve years later, that share has actually fallen to 2.5 per cent.

In terms of actual electricity generated, the scenario is only slightly better, with the share of nuclear in total electricity generated, rising only about a percentage point in the last 10 years. Ironically, over this same period, the share of thermal energy in total electricity generation has increased by 3 percentage points. Nuclear energy was supposed to be an important component of India's drive towards reducing its carbon footprint, as well as energy security.

It is not that the National Democratic Alliance government does not have ambitious plans for nuclear energy. As of March this year, Parliament was told that there were five nuclear power projects under construction, with a combined capacity of 7,200 MW. Another six projects, of a total 9,000 MW, had been approved and financially sanctioned. Last year, the US agreed to build six nuclear reactors in India in Andhra Pradesh. And in a small step, the government also allowed private sector participation in nuclear

medicine and nuclear use in agriculture (irradiation for the preservation of food). India has also just signed a civil nuclear cooperation agreement with the European Union. However, it is clear that the reality has not lived up to the expectation.

What went wrong? Firstly, after much hype, following the nuclear deal, India passed a nuclear liability law which made manufacturers of nuclear equipment, rather than operators of a plant, liable in case of a nuclear accident. This caused many manufacturers to cool off on the Indian market.

But as Manoj Joshi, a fellow at the Observer Research Foundation, pointed out, reality has never met the hype, even before the nuclear deal. It was expected that total nuclear capacity in the country would be 10,000 MW by 2000. "We will be lucky if we meet the 2000 target in 2020," he says. Similar grand expectations followed the nuclear deal. The problems with nuclear capacity addition are long lasting — it has been affected by a chronic under-performance, right since inception.

As nuclear physicist and a long-term analyst on the Indian nuclear sector, M V Ramana, pointed out in a book some years ago, the governance structure of the sector has to bear a substantial part of the blame. The perverse consequences of its strategic importance have meant that the main institutions — the Atomic Energy Commission and the Department of Atomic Energy (DAE) — have tended to face relatively less oversight and have reported directly to the prime minister, leaving them less accountable than otherwise. And, in a scenario that will be familiar to those with more than a passing knowledge of infrastructure governance, the

Atomic Energy Regulatory Board, reports directly to the DAE — thus compromising regulatory independence. A nuclear deal will not solve these problems, which are entirely of our own making.

Apart from this, there has been the fact that the global mood has turned distinctly against nuclear energy since the beginning of this decade, following the Fukushima disaster. In India, too, vociferous protests from local populations have dogged projects such as the Kudankulam plant in Tamil Nadu.

But the real dampener has probably been simple economics. In fact, the real action, so to speak, has been in the renewable energy sector, whose share of total installed capacity has risen dramatically in the last decade by a little over three times, at the same time as its total costs have collapsed. "In contrast to nuclear power, India has usually exceeded its targets, at far lesser investment, in the area of renewable energy," Joshi points out. In India today, renewable energy is highly competitive, even when compared with thermal energy.

In contrast, the capital costs of nuclear plants are high and remain so, as is the fuel. Nuclear power tariffs are set by the DAE, but have to compete to nuclear power, India has usually exceeded its targets, at far lesser investment, in the area of renewable energy," Joshi points out. In India today, renewable energy is highly competitive, even when compared with thermal energy.

Is it fair to say then, that nuclear energy is doomed to irrelevance in India? What is clear is that unless reforms to the regulatory and institutional structure of nuclear power in India are undertaken, the promise of the nuclear deal will not be met. Given that these institutional structures have persevered for decades, any government looking to carry out such reforms will have its work cut out.

The anti-nuclear lobby, which was so effectively sidelined 10 years ago, may be having the last laugh.

The writer is the chairman of Feedback Infra

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THE EDITORIAL PAGE

WORDLY WISE

FREE TRADE IS NOT BASED ON UTILITY BUT ON JUSTICE.

— EDMUND BURKE

The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

NO GOING BACK

Restrictions on imports may be steps towards self-reliance. They also raise concerns about return to failed policies of licence raj

LAST WEEK, The Union government imposed restrictions on television imports, much of which are sourced from Vietnam and China, by placing them in the restricted category. Importers will now require a licence from the government to import fully built television sets into the country. This is unlikely to be a one-off move. The government is reportedly contemplating imposing similar licensing requirements on imports of products such as toys and sports goods. The option of raising duties on imports of certain products is, reportedly, also under consideration. Ostensibly, these measures — in line with the government's stated policy of "atma nirbhar" or self-reliance — are meant to reduce the country's import dependence, especially vis-à-vis China, and facilitate domestic production, and generate employment. While sections of the domestic industry may well welcome such measures, these indications of a return to the infamous licence permit raj, and a resurrection of the failed policy of import substitution, could mark a reversal of the gains of trade liberalisation over the past few decades. This would be taking not one but several steps backward.

In the current climate, the political allure of such policies is understandable. However, India's past experience with such policies should be enough to drive home the point that this is not the way forward. Protectionism, as has been repeatedly pointed out, by erecting barriers to entry, leads to the creation of a high-cost and uncompetitive domestic manufacturing sector. India imports these products from various countries, most notably China, simply because it is not competitive enough to produce them. Addressing issues that afflict domestic competitiveness requires a different set of policy prescriptions, not the imposition of tariff and non-tariff barriers. The lessons learnt from the failed policies that were much in vogue in the second half of the last century, and the gains that have accrued from trade, and greater integration with the global economy post 1991, cannot be ignored or forgotten. Moves such as these could also create the space for further lobbying by domestic players to raise barriers to entry in other segments as well. Once these are erected, they will be hard to dismantle.

At a broader level, a certain policy incoherence marks this government's approach to trade. On the one hand, it talks of greater integration with global supply chains, and on the other hand, it walks out of the Regional Comprehensive Economic Partnership (RCEP) agreement and also seeks to erect both tariff and non-tariff barriers to protect domestic industry. This is unfortunate. Raising the country's share in world trade, taking advantage of the current global environment and the relocation of manufacturing facilities out of China, requires greater trade liberalisation, not less. Instead of looking inward, India should be working towards integrating with global supply chains more closely.

COVID & MILK

Demand destruction due to shutdown has created a problem. The government should intervene

MILK IS A unique "crop" that farmers harvest daily. But being also consumed daily, supply-demand balancing isn't as difficult as in, say, wheat that is harvested over 2-3 months and has to be stocked to enable round-the-year sales. While production of milk is subject to seasonal fluctuations — animals, particularly buffaloes, produce more during winter-spring and less in the summer — dairies know to manage it. They usually convert the surplus milk of the "flush" season into skimmed milk powder (SMP) and ghee/butter for reconstitution in the "lean" months, when demand for curd, lassi and ice-cream also goes up. This system has generally worked well. Even as India's milk output has more than doubled in the last 15 years, so too has consumption, on the back of rising incomes. Dairies, then, have rarely been saddled with unsold inventories, unlike sugar mills or the Food Corporation of India.

The above balancing model is, however, being rendered dysfunctional by the demand destruction wrought by the post-COVID shutdown of hotels, restaurants, hostels, canteens and mithai shops, apart from nearly no marriages and other social functions taking place. With institutional sales collapsing — these make up a quarter of the country's market for milk and milk products — dairies have been accumulating powder and fat stocks through the summer and monsoon months. Not only is this unprecedented, the situation will worsen once production increases in the coming months with improved fodder availability, culling of buffaloes and drop in temperatures. A lakhsutra festival season — this year's Dussehra and Diwali may not see much demand for sweets made from ghee, khoya or chenna — isn't going to help either. Dairies selling only commodities (SMP and ghee) have already, since the March 25 lockdown, slashed milk prices by Rs 15-16 per litre. Even those largely into liquid milk marketing have cut by Rs 3-5/litre.

The government should direct the National Dairy Development Board to create a buffer stock of about 60,000 tonnes of SMP and 30,000 tonnes of butter. The cost of this — at Rs 200/kg for SMP and Rs 300/kg for butter, corresponding to a Rs 25/litre cow milk procurement price — may come to around Rs 2,100 crore, which isn't too high. It can well be recouped in the next "lean" summer season, when some demand normalcy would also have returned. Not intervening now will hurt farmers. If they were to respond by not properly feeding or even starving their animals, it would harm consumers as well.

THE CONSULTANT

Testing the limits of the permissible, Amar Singh made himself visible in the post-liberalisation, coalition era

INDIA'S BEST-KNOWN FILM personality's business debts to be paid off? Amar Singh was at hand. A controversy to be generated and then defused? Amar Singh was at work before applications were invited. A government to be shepherded through a must vote? Singh, again, working from the outside. The instinctive consultant was the first outlier who flamboyantly challenged contemporary Lutyens' Delhi, and made himself indispensable to it. He ticked all the wrong boxes. Born in Azamgarh, which was later vilified for terrorism, educated in communist-ruled Kolkata, resident of the whole-sale market district of Burrabazar, he didn't belong in Lutyens' Delhi.

But he was the man of the moment in post-liberalisation India, which was leaving behind the Hindu rate of growth and the agonising choice between buying an Ambassador or a Fiat. Politically, in the coalition era, Singh began to test the limits of choice. He was ahead of his time. Charged with bribing three BJP MPs, he was sent to judicial custody, though the financial trail was never established. Now, charges of buying legislators invite not the majesty of the law, but tired humour on social media. Singh also transformed the Samajwadi Party, which he joined in 1996. If Bollywood glamour headlines the party's celebrations in Safai, Mulayam Singh Yadav's village, it is the legacy of its former general secretary, who was also expelled for a period.

Two archival news images illustrate his conflicted personality. In one, he stands beside Amitabh Bachchan, who holds up a blown-up flex cheque paying the dues of his company, ABCCL. Singh, who may have drummed up the money, holds one corner of the flex, signalling ownership. The other shows Amar Singh's sandals. Ordinary sandals, not the expensive footwear of Delhi's politicians. He had taken them off before entering someone's home, in the time-honoured manner of the ancients.



SUHLAS PALSHIKAR

IF ONE GRASPS the meaning of a moment, it is easier to decipher the challenges involved in searching for the alternatives. The 5th of August, 2019 and 2020, constitutes a moment when, rather than still rhetoric, a socialism is necessary to grasp the meaning of the moment. Going by the self-deceptive statements of some Congress leaders, one suspects that even before the construction of the Ram temple begins, the BJP might have achieved its grand project.

As the bhoomi puja ceremony unfolds at Ayodhya tomorrow, the prime minister may as well announce the commencement of a new "republic". During the past one year, India has entered a new political arena. It is time to begin identifying the pillars on which this new India stands and ask if the new arrangements qualify to be described as a republic at all. (In the introduction to his new book, *Making Sense of Indian Democracy*, Yogendra Yadav, too, deploys this analogy of the "second republic").

Electoral outcomes occasionally introduce ruptures. That 2014 would be such a rupture was almost foretold. Throughout the past six years, the BJP government went on reorganising the polity. During its first term, the government was busy firming its grip on the state apparatus. The task of preparing the ground for the new republic was mostly conducted through orchestrated vigilance and issues of cow and conversion. Through the face-offs with students, the regime had indicated two things: Its penchant for abusive use of state power and its ability to posit a binary of nationalism and democracy where the latter was shown as the machination of the anti-national.

The last 15 months have seen a more systematic and ruthless action toward reworking the constitution and ushering in a new grammar of state power. This began with a comparatively soft target — the issue of triple talaq. It was soft in that only the orthodox among the Muslims could defend it. But in banning the practice, the government inserted the clause of criminalising the — betraying the intent of punishing rather than reforming.

Then began a more direct assault on India's first republic. The drastic legal intervention in J&K and the passage of the amendment to the Citizenship Act challenged the foundations of the Constitution. In J&K, the issue was not

August 5

Tomorrow at Ayodhya we will see the dismantling of the old, and the bhoomi puja of the new republic

The BJP has displaced the original republic, but history must note the mute willingness with which other players contributed to it. On not even one of the issues could any political party wage a full-fledged political opposition. If on Kashmir, many evidenced their eagerness to join the BJP's chorus, on Ayodhya, most parties chose to ignore the core questions. When parties and politicians hail the building of the Ram temple, they choose to ignore that it is being built on the debris of mutual accommodation and represents an unprecedented homogenisation of Hinduism. In this sense, the past one year, and more, has been the period of 'no contest' in India's politics. If the BJP is guilty of dismantling the republic, all other parties are silent approvers.

merely Article 370, but also a bold experiment in asymmetric federalism. The government signalled its contempt for that experiment. The CAA signalled that all religions are not equal in the new republic, the new republic ushered in closure of open society and in the case of the CAA, it brought state repression and the stigma of being anti-national for those upholding the old order.

Now, in conjunction with celebrating the dismantling of Article 370, India is also dismantling another relic of the first republic — inter-faith accommodation. The SC ruling in the Ayodhya case, ordering that Muslims be given an "alternative" site, formalised the peripheralisation of the Muslims both spatially and politically while the celebrations opened up involving state machinery underscore the officialisation of the status of Hindu religion as the basis of the new republic.

For the BJP all these have been matters of its political faith. The crucial question is: Could the BJP do this merely because it had the necessary legislative majority? If its majority has indeed been instrumental in formalising these changes, but while necessary, that was not the sufficient condition for bringing about the new polity. Therefore, as the BJP celebrates the new polity, it might be in order to put on record five pillars on which the new republic is being built.

A key pillar in the project of dismantling the old order has been the transformation of the Indian state into the repository of repression. To achieve this, the regime has shaped a politicised and poisonous administration — particularly in the case of the enforcement and investigation machineries. The vindictiveness with which most such agencies now function is chilling and this is seen in the manner in which mainstream politicians from Kashmir are treated as also in the reckless application of the UAPA. Secondly, the ideas of dissent and critique have been delegitimised over the past six years, more so in the last one year. Any dissent is presented as detrimental to national interest or national pride and every act of dissent is criminalised. The space for contrarian ideas and actions has disappeared, establishing a forced consensus.

Third, this political transformation would not have been so easy without the willingness of the judiciary to look the other way, and occasionally join in the project. In the Ayodhya

dispute, the Court validated the basic premises propounded by the Ram jannabhoomi agitation. That ruling did not merely give the disputed land to one set of litigants, it facilitated a historic space legally and ideologically to the project behind the agitation. In most other matters, the Court has chosen either to defer cases challenging government actions or to acquiesce with the executive's wisdom and logic.

Fourth, is the politics of avoidance displayed by most political parties. The BJP has displaced the original republic, but history must note the mute willingness with which other players contributed to it. On not even one of these issues could any political party wage a full-fledged political opposition. If on Kashmir, many evidenced their eagerness to join the BJP's chorus, on Ayodhya, most parties chose to ignore the core questions. When parties and politicians hail the building of the Ram temple, they choose to ignore that it is being built on the debris of mutual accommodation and represents an unprecedented homogenisation of Hinduism. In this sense, the past one year, and more, has been the period of 'no contest' in India's politics. If the BJP is guilty of dismantling the republic, all other parties are silent approvers.

Finally, the new republic is founded on a militant culture of majoritarianism. This did not happen overnight. As this writer has argued, the past three decades are marked by the shaping of this tendency. India's democratic project always had the risk of majoritarianism. That risk materialised through the Ayodhya movement and was ably assisted by the failures of the Congress during and after the 1980s. In the past six years, the BJP has given majoritarianism the teeth and legitimacy that signified the coming of the new republic.

These five pillars are also the defining characteristics of the new republic. It would be a public where the "public" will be constituted on the basis of religion and where democracy will consist only of populist politics. Like in the case of the most ardent opponent of majoritarianism, the epitaph for India's slowly dying republic could also be "Hey Ram".

The writer, based at Pune, taught political science and is currently chief editor of Studies in Indian Politics

LIP SERVICE TO BHASHA

NEP does not adequately tackle issue of inequity arising out of medium of instruction



DHANMANJIRI SATHE

THE MEDIUM of instruction has been a way of perpetuating class and caste divisions in India. Accepting this reality will help us make sense of the language policy since Independence as well as the New Education Policy 2020 (NEP 2020). NEP 2020, in many positives, including not making Hindi compulsory in South Indian states, but on the pedagogically relevant and politically sensitive issue of the medium of instruction, the policy seems to follow the well-trodden path.

It says that the mother-tongue or the regional language would be the "preferred" mode of instruction till Class 5, possibly Class 8. It also states that, "wherever possible, these languages will be used in public and private schools. Given the ground realities what does all this entail?

Before Independence, and possibly 20-25 years after Independence, most school-going children attended bhasha-medium schools, even if their parents belonged to the well-off sections of society. Only the elite sent their children to expensive English-medium schools. If one makes a list of retired top civil servants, academicians and officials of private and public sector enterprises above the age of 60, it's very likely that most of them studied in a bhasha school. Studying in a bhasha school did not hamper their progress in life. There are two reasons for this. First, these schools were excellent in those times. Even the standard of English taught in those schools was very good. So, students coped easily in colleges and uni-

An exposure to basic English from a very young age in bhasha schools — through rhymes, simple sentences — could make learning the language later much easier. Making special funds available for English-teaching at panchayat or zila parishad level schools could also help.

versities. Second, most students belonged to the upper castes and had a tradition of education in their families.

Over the years, while school enrollment has increased, the quality of education in bhasha schools — invariably government schools — has deteriorated. At the same time, most students from the well-off sections have opted out of them. This shift from bhasha schools to English-medium schools has happened in the metros, then in middle-level cities and has reached the villages now. The bhasha schools have begun drawing children from the Bahujan Samaj. These children suffer from two handicaps. First, the extremely poor quality of education in most bhasha schools — with exceptions in states such as Kerala and Tamil Nadu. Second, such children rarely have a tradition of education in their families and find it very difficult to compete with their peers who have a much better financial background, better education and proficiency in English. But the benefit of expanding education is that such children, who would not ask for a better deal earlier, are now making their demands clear. One remembers the agitation in 2014 when the Hindi-speaking students were arguing that the higher education system was loaded against the bhasha medium students, especially at the UPSC level.

There is a conflict between what the educationists say — one understands the subject best in the mother-tongue, we as a nation should not lose such a multitude of languages,

studying in the English-medium leads to gaps in the understanding of one's own society and what the parents think is necessary for the economic survival of their children. So, parents send their kids to English-medium schools as soon as they can afford it. The bhasha medium students do not get the coveted jobs and the disparity between the two widens.

NEP 2020 does not tackle the issue of inequity that arises out of the medium of instruction. The document pays lip-service to the promotion of bhashas, but the policy will end up reinforcing the status quo. The English-medium schools will continue as they are, rather more of them will sprout. But the agitation of 2014 could be a harbinger of the possible political unacceptability of this "manner of doing things".

One could let all students study English from an earlier age. Admittedly, this goes against the basic principles of education, and the non-elite will face more problems in studying English. But an exposure to basic English from a very young age in bhasha schools — through rhymes, simple sentences — could make learning the language later much easier. Making special funds available for English-teaching at panchayat or zila parishad level schools could also help. These could be some steps in making school education somewhat more egalitarian.

The writer is an Emeritus Professor of Economics, Savitribai Phule Pune University

AUGUST 4, 1980, FORTY YEARS AGO



AGITATION NOT OVER THE PROJECTED NEGOTIATIONS on the foreigners issue appeared to have run around with the sponsors of the Assam movement threatening to resume their agitation if the government refused to implement the July 25 accord. Leaders of the All Assam Students Union and the Gana Sangram Parishad have denied the claims made on their behalf by Manipur Chief Minister Dorendra Singh that the accord implied a withdrawal of the agitation. The statements said that the very term of the accord that all blockade would continue implied that they haven't committed themselves to complete withdrawal.

ANDHRA DISSIDENTS THE CONGRESS (I) dissidents in Andhra Pradesh rejected the appeal for cooperation by Chief Minister Chenna Reddy and his constituency as the party had blown over following his talks with Prime Minister Indira Gandhi. The state Finance Minister G Rajaram, who is spearheading the move for a change of leadership, told newsmen after consulting some of the 16 ministers who sought Mrs Gandhi's permission to resign, that Reddy's appeal was "misleading" and was for the consumption of "the few followers still left with him". If the cooperation sought is for his continuance as leader of the Congress (I)

Legislature Party, the question does not arise.

PAKISTAN N-PLANT PAKISTAN IS NOW preparing to stockpile fissile material for nuclear weapons, according to intelligence analysts believe that another pilot reprocessing plant is under construction from which Pakistan may manufacture the plutonium for its first explosion. The International Institute for Strategic Studies has stated that "although technical difficulties to implementing and engineering the centrifuge designs still could slow the programme, the few years Pakistan would have enough fissile material for five-seven nuclear bombs a year".

THE INDIAN EXPRESS, TUESDAY, AUGUST 4, 2020

THE IDEAS PAGE

India and geopolitics of TikTok

Although total digital decoupling between US and China might take a long time, if it happens at all, new rules are emerging to define terms of engagement

RAJA MANDALA
BY C RAJA MOHAN

INDIA'S BAN on the hugely popular TikTok and other Chinese apps, as part of its retaliation against China's aggression in Eastern Ladakh, has acquired a wider dimension that few could have anticipated. TikTok is now at the centre of a rapidly expanding digital war between the United States and China.

Since Delhi's announcement banning TikTok and other Chinese apps in June, there has been talk of similar actions by Washington. US President Donald Trump is doing one better than the NDA government. Like Delhi, Washington too is citing national security concerns about the widespread use of Chinese apps.

Rather than simply ban TikTok, Washington is "persuading" ByteDance, the Chinese internet company that owns TikTok, to hand over its business to the US technology giant, Microsoft. Trump's threat over the weekend that he might soon ban TikTok set in motion frenzied negotiations between ByteDance and Microsoft.

Trump does not just want an American takeover of TikTok, but the best possible terms for the United States. The US president appears to have intervened in the negotiations by chatting over the phone with Microsoft's CEO, Satya Nadella. In a statement issued after the talks, Microsoft said it is ready to oblige the President and is "committed to acquiring TikTok subject to a complete security review and providing proper economic benefits to the United States".

Microsoft said the negotiations with ByteDance involve more than TikTok's operations in the US. Microsoft wants to take over the TikTok market in Canada, Australia, and New Zealand. Microsoft is also promising that the deal will meet all the administration's national security concerns.

Trump's American critics insist that the president has a personal beef with TikTok that was reportedly used to inflate the con- firmations to attend his election night in Tulsa, Arizona a few weeks ago. The empty stands in Tulsa were seen as a big setback for Trump's campaign.

Let's assume for a moment an embarrased Trump is getting even with a Chinese app. That does not, however, in any way reduce the political salience of the US president's strike against TikTok. Nor does it mask Microsoft's commercial interest in acquiring an app that could help overcome the tech giant's glaring absence in the social media space and win a large and youthful demographic.

While much of the US media was highlighting Trump's personal peeve, China's *Global Times* had a very different point. In an editorial on Sunday, the paper called the US decision "a barbaric act of a rogue government" and denounced it as "the hunting and looting of TikTok by the US government in conjunction with US high-tech companies".

Until recently, the mainstream commentary in the US media had poured cold water on Trump's digital war with China as self-defeating. But the administration officials believe the tide might be turning in America's favour in the new digital confrontation.

They point to Washington's successful campaign against Chinese telecom companies Huawei and ZTE in recent months.



C Sankar

Although the US did not have a candidate of its own in the race for the rollout of fifth-generation wireless technology, the Trump Administration went out of the way to persuade its allies to abandon Huawei.

Trump now seems to have embarked on a more consequential mission at home to re-define lines between US and Chinese technology companies that flourished in recent years. On Sunday, Secretary of State Mike Pompeo indicated that the takeover of TikTok is just the first step. The administration is expected to follow through with additional steps against Chinese apps in the days ahead.

Until now, Beijing was supremely confident in its assessment that it could exclude the US apps like Facebook, Gmail and Twitter from its market, but yet continue to exploit the US market for the advance of its digital entities. The reluctance to abandon the Chinese market meant the US companies were happy to swallow the humiliations that Beijing heaped upon them.

In a hard-hitting speech last month, the US Attorney General William Barr reminded Apple, Google, Microsoft and Disney not to forget their American identity and their obligations under US law.

Barr told the US corporate bosses they "might not see themselves as lobbyists" for China. But he reminded them of the dangers of being used by Beijing and that their efforts on behalf of China could invoke the provisions of the Foreign Agents Registration Act. The FARA does not prohibit lobbying but demands that lobbyists register themselves with the US government. Lobbying without registration, however, would bring many penalties.

Barr also told the US tech and entertainment companies that they "may view themselves as global citizens, rather than American institutions". But they should remember that what allowed them to succeed in the first place was the American enterprise system, the rule of law, and the security afforded by America's economic, technological and military strength.

Might this offensive against the extended nexus between the US companies and China come to an end if Joe Biden wins the presidency in November? US tech companies and Hollywood are certainly among big supporters of the Democratic Party. But they might

have to come to terms with the shifting political terrain in Washington.

The "deep state" in Washington appears to have made up its mind on the urgency of coping with the Chinese digital threats. The attitudes across the political spectrum towards China are also hardening. Although Trump is trailing in the polls, he can take many policy actions against China until his term comes to an end next January. A complete reversal of the current actions against Chinese companies might not be easy for the next President.

Although total digital decoupling between the US and China might take a long time, if it happens at all, new rules are emerging to define the terms of engagement.

Equally significant is the return of bipartisan US political support for "industrial policy" or conscious government effort to lead the nation's technological and economic evolution. During the last four decades any mention of "industrial policy" was taboo in Washington's policy community.

Last week, Trump dramatically boosted the stock prices of Kodak — the once-famous US company that went broke by continuing to make cameras in the age of smartphones. The Trump Administration, using the Defence Production Act, has lent \$765 million to Kodak to start producing generic drugs and pharmaceutical ingredients. The Defence Production Act dates back to the 1950s, when the US was mobilising for the Korean War. Biden's campaign too has embraced industrial policy as a means to cope with external and internal economic challenges to the US.

Many in Washington are now convinced that it was a terrible mistake for the US to have believed that global trade and technology flows after the Cold War were geopolitically neutral. The new American consensus appears to be in sync with India's own recent turn towards decoupling from China and the plan to rearrange its digital engagement with the world within a framework of trusted political partnerships.

The writer is director, Institute of South Asian Studies, National University of Singapore and contributor on international affairs for The Indian Express

WHAT THE OTHERS SAY

"While FATF can be said to have forced Pakistan's hand and compelled it to crack down on the violent extremist groups that had long insulated themselves into the warp and weft of society, this is the only viable path ahead for this country." — DAWN

A temple for Bharat

Nehru versus Munshi debate on reconstructing Somnath temple is crucial to understand significance of Ram Mandir — and opposition to it



MANMOHAN VAIDYA

AYODHYA, THE BIRTHPLACE of Lord Rama, is rising to turn the pages of history and usher a new chapter in its saga with the construction of a grand Shri Ram Temple slated to commence on August 5. The chronicle of this festival will be inscribed in golden letters in the cultural history of Bharat. Not a mere block of concrete and stones, this temple is the symbol of faith and aspirations of billions of Bharatiya people spread across the globe. A landmark event, this day transports one back to the year 1952 when the then President of independent Bharat, Rajendra Prasad, did prana pratishtha puja of the Somnath Temple. Illustrious leaders of the country like Sardar Patel, Mahatma Gandhi, Kanhaiya Lal Munshi, VP Menon, S Radhakrishnan and Rajendra Prasad had hailed the resurrection and restoration of the Somnath temple as a proud moment in the history of independent Bharat — an affirmation of our eternal legacy. However, then Prime Minister Jawaharlal Nehru deemed the act as "Hindu revivalism".

In his book *Pilgrimage to Freedom*, KM Munshi, a minister in Nehru's cabinet, reproduced excerpts of a debate that ensued between the two of them at that time. Today, given the backdrop of Ayodhya, reinvoking parts of that debate is crucial to better understand the cultural significance of the restoration of Ram Mandir, and also, why there is opposition to it.

The history of Somnath Temple is comparable to that of the Ram Mandir of Ayodhya as the Muslim Turkic invader Mahmud of Ghazni attacked the Somnath temple and successive Muslim invaders repeatedly demolished it, eventually destroying it completely.

Temples that comprise the cultural heritage of a civilisation are not mere physical symbols, they are an embodiment of the moral values and traditions that bind and energise the whole society. Munshi writes: "In November 1947, Sardar... visited the temple. At a public meeting, Sardar announced: 'On this auspicious day of the New Year we have decided that Somnath should be reconstructed. You, people of Saurashtra, should do your best.'"

The country's leadership of that time was split into two opposing ideological camps. Munshi writes: "At the end of the cabinet meeting, Jawaharlal called me and said: 'I have decided to revive Somnath. This is Hindu revivalism.'"

Why did Nehru oppose this act as "Hindu revivalism", while Munshi referred to it as "Bharatiya collar"? — and how did the two different ideologies that have inhabited the Bharatiya mind, Nehru was not opposed to Bharat but the Bharat of his dreams was a spin-off of the European view of life, which was diamet-

rically opposite to the Bharatiya view. It was "abharatiya". Whereas the concept of Bharat of leaders like Sardar Patel, Rajendra Prasad and Munshi was steeped in Bharatiya civilisation.

Munshi goes on to write: "On April 24, 1951, I wrote a letter to him (Nehru) which I am reproducing next literally. 'When the whole scheme was discussed by Sardar with Bapu, he stated that it was all right except that the funds necessary for reconstructing the temple should come from the public. Thereafter, the idea that the Government of India should finance the reconstruction of the temple was given up... Yesterday you referred to 'Hindu revivalism'. I know your views on the subject; I have always done justice to them; I hope you will equally do justice to mine. It is my faith in our past which has given me the strength to work in the present and to look forward to our future. I cannot value freedom if it deprives us of the Bhagavad Gita or uproots our millions from the faith with which they look upon our temples and thereby destroys the texture of our lives.'"

And so the reconstruction went ahead. When the time came to install the deity, Munshi approached Prasad and asked him to perform the ceremony, but added a rider, "that he should accept it only if he was prepared not to fail us." Munshi says "when it was announced that Dr Rajendra Prasad was to inaugurate the Temple, Jawaharlal vehemently protested". Still, "Rajendra Prasad kept his promise. However, his speech delivered at Somnath was published in all the papers, but was cut out from the official organs."

It is ironic that Nehru, the Indian icon of liberalism and freedom of expression, should make sure that the speech of the President is censored. In this manner, despite opposition, Somnath was rebuilt and today the magnificent shrine attracts millions of devotees. However, 75 years of rule of one regime and the patronage of governments has proliferated the proponents of the Nehruvian idea of Bharat in academia and the media. Hence, history is repeating itself and the opposition to the Ram Mandir in Ayodhya is more vocal than the opposition to the Somnath temple in Gujarat.

Restoration of the national and cultural heritage of Bharat will begin with the Ram Mandir construction on August 5. The Doodharaal release of the inaugural will enable people of Bharatiya origin across the world to witness this historic moment. In observance of corona-related directives, this event will see fewer participants in attendance. It is my firm belief that the temple trustees also view this event as the re-establishment of eternal Bharatiya legacy and pride and not just the year's anniversary of a structure. This must be why senior representatives of various faiths and sects like Jain, Rasthri, Sikh, Muslim, Christian, Scheduled Castes and Scheduled Tribes, priests, Mathadhis and spiritual gurus of our country have been invited to grace this jubilation affair.

The Ram Mandir is not a mere temple; it is the symbol of our cultural heritage.

The writer is joint general secretary of the ISS

Hindu nation and its symbols

In Ayodhya will unfold a project of building, and erasure

SABA NAQVI

THE AUGUST 5 ceremony that will take place in Ayodhya is the inauguration of the first significant monument of the Hindu nation. The BJP and Sangh Parivar are determined to create their own history and monuments. All the ideologies of the Hindu right have written dreams about Abraham's legions holding the national imagination hostage because of the chicanery of Nehruvian secularism. They have expounded on the need for new symbols, changes in historical perception, indeed a new nation. The most significant exposition has been that of VD Savarkar, who first came up with the term Hindutva as the title of an essay and would write that it was the "Price of Ayodhya" who established the Hindu nation. "The day when the Horse of Victory returned to Ayodhya unchanged and unchallengeable... that day was the birth-day of our Hindu people," he wrote.

It would, therefore, be a mistake to see the Ayodhya ceremony as a mere diversionary tactic in the midst of a pandemic and a sinking economy. For the architects of the Hindu Rashtra, it is a day to blow the conch shells and rejoice. The fact that this will happen on August 5 that marks the anniversary of the abolition of Article 370 that they have viewed as an abomination, is a matter of celebration

and not a cause of concern for them. It was again Savarkar who would say that a Hindu was someone for whom India was both the *pitrabhumi* (land of ancestors) and *punya bhumi* (holy land), by which definition Muslims and Christians were excluded.

The fact is that till now in independent India, the August 15 prime ministerial speech is made from the ramparts of the Red Fort, a Mughal monument, and the business of government and Parliament continued in British-built structures. This does not appeal to adherents of an ideology seeking to create a muscular new Hindu identity after what they view as centuries of subjugation at the hands of Muslims and then, Christians. British architecture and its legions designed that historic zone and his last name is now routinely used as an insult meant to put down an old elite. The central vista project announced last year to redevelop this zone in Delhi must also be seen in this light: There is an ideological underpinning to it, beyond being mere vanity project for a prime minister.

But to return to Ayodhya, it lies in the region once known for a cultural effervescence often described as Ganga-Jummi tehzeeb, that sounds like an outdated cliché today. For one, more rivers run through the region besides

the Ganga and Yamuna. There is the Saryu along which Ayodhya stands and the Gomti that cuts through Lucknow. Faizabad, the town to which Ayodhya is attached, was the first capital of the Nawabs of Awadh, who patronised music, the arts, the dance form of kathak, and made donations to many temples. Ayodhya's pre-eminent temple to date has been the Hanumanagari, whose construction was supported with several revenue land grants by the nawabs.

My first trip to Ayodhya was made in November 1992, weeks before the Babri mosque was brought down. In the backdrop of the Ram janmabhoomi movement, I began my reporting career travelling across India searching for the survival of a deal of syncretic traditions and a composite culture. The series, titled "In Good Faith", was being published in *The Indian Express*. I would see the Hindu assertion and as the counterpart, a growing Muslim conservatism. Equally, many survived.

There was a large police presence in Ayodhya that year and it seemed that an apocalyptic event was round the corner. Between sadhus, kar sevaks, politicians and policemen, I met Anwar Hussain, then 87, a

devout Muslim who had for 45 years been caretaker of the Sunder Bhawan, one of the many Sita Ram temples in Ayodhya. He was certain he would be safe; why, he said, when he had fallen sick some years ago, two sadhuns came to his door and said, "We have been blessed by him! I would return to Ayodhya four days after the demolition and find a big lock on his door and learn that the family had fled. A young boy wearing a saffron scarf would say that it is good the old fool has gone as he was polluting the Gods. But again, visiting Ayodhya some years later, I would learn that Anwar Hussain had returned and continued looking after his Sita-Ram mandir till his death in his mid-90s.

The Awadh region has birthed many cultures and contesting memories, from a nawab who would compose a dance drama called Radha Kanhaiya ka Kissa, to the great singer of thumris and ghazals named Akhtar Bai Faizabad, whom we know as Begum Akhtar.

Now the metaphorical Prince of Ayodhya returns and a grand symbol of the recast Hindu nation shall dominate the skyline.

Naqvi, a senior journalist, is the author of *Shades of Saffron: From Vajpayee to Modi*

LETTERS TO THE EDITOR

CLUES FROM FARM THIS REFERS TO the report, "In farm promise, some concern", (IE, August 3). Since a decade or two, there has been a reduction in the emphasis on the primary sector and migration of people has been observed from rural to urban sections. The problem lies in the lack of policies that target the vulnerable people. Increasing the minimum support price for the crops and assuring farmers a sense of security can revive the agriculture sector, which in turn can boost the economy.

Chandravir Singh, Agri, UP

GROUNDWATER FIRST

THIS REFERS TO the article, "A pedagogy for New India", (IE, August 3). The transition envisaged for the academic ecosystem in the country under the new education policy will be a quantum leap. The existing system is ill-prepared for such drastic changes even if they are incrementally implemented. The Continuous and Comprehensive Evaluation process mandated by the RTE Act couldn't be implemented successfully even after a decade of the law came into force. Therefore a rigorous timeline-based approach needs to be adopted to gear up the entire education system to lay the foundation for the changes proposed by the new policy.

Sudip Kumar Deb, Kolkata

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REVENUE MATTERS

THIS REFERS TO the editorial, Stress And Strain (IE, August 3). The recovery in indirect taxes underlines two important imperatives. First, acknowledging that individual incomes have been badly affected and mitigating the economic shock to the government, enforcing the income wage act and harmonising labour laws. Second, implementing the Direct tax code 2.0 can help raising the income tax share for the government and rationalising slab rates for the individual.

Sagar Borade, Thane

The conservative challenge to Hindutva

Hindu conservatism is the last bastion that right-wing populism seeks to vanquish effectively



SAJJAN KUMAR

The proposed ceremony to lay the foundation stone for the Ram Mandir in Ayodhya on August 5 has generated three broad responses: euphoria from supporters; outrage from the Left, Ambedkarites and secularists; and strong disapproval on procedural grounds from eminent Hindu saints. While the first two responses were expected, it is dissenting voices emanating from Hindu religious authorities that merit attention. The accusations of the Dharmagurus deal with the emerging process of de-ritualisation of the Hindu religion by Hindutva in the following ways.

One, many Hindu Dharmagurus, including a Shankaracharya, believe that August 5 is an inauspicious day for the ceremony. According to them, astrologically, and in consonance with established religious practices, the second day (Dwitiya) of the dark fortnight (Krishnapaksha) of the Indian month of Bhadrapad (July-August) is considered inauspicious. Besides, gods are supposed to be resting during this month and must not be called upon. Despite this, the Bharatiya Janata Party government has decided to go ahead with the ceremony on this date.

Two, although the Lok Sabha election, in open disregard of established traditions, the Ardi Kumbh was celebrated as the Kumbh in Prayagraj (Allahabad) with fanfare. Prime Minister Narendra Modi performed the populist act of washing the feet of sanitation workers. While the act got broad political applause, the Dharmagurus were pained to see the Kumbh being celebrated without auspicious connection by unique astrological combinations.

De-ritualising Hindutva

These instances signify the growing process of de-ritualisation of the Hindu religion, primarily by the trustees of Hindutva, thereby pitting Hindutva against a section of religious authorities. Hindutva's response to such criticism has been to invoke the paradigm of subaltern religiosity wherein disregard for the ritual domain is an



accepted practice since the Bhakti movement. Doing so not only labels the dissenting Brahminical religious authorities as obscurantist and ultra-orthodox, but also magnifies Hindutva's appeal among the subaltern masses, the numerical majority.

The popular interplay of religion and politics is not new. Its votaries include Lokmanya Tilak, who started the Ganapati festival for political mobilisation against British rule; M.K. Gandhi, who used religious imagery during the freedom struggle; and Swami Karpari Maharaj of the Ram Raja Parishad in independent India. On the global level, political Islam does the same. This has been the position of Liberation theology too.

Hindutva seems to follow the above template but transcends it in practice. The issue here is not whether it uses religion in politics or not; rather, it is the status of religion in the political framework of Hindutva. In the case of all Indian votaries at the national level, and political Islamists and liberation theologians at the global level, the status of religion is either superior to or on a par with the political. Nowhere do we find religion to be inferior to the political in these cases. The old votaries invoked religion in political affairs by reiterating the sacred texts, but without questioning their sanctity. However, driven by the incentive and appeal of subaltern religiosity, Hindutva pushes the horizon when the Kashiya Swamiesvak Sangh (RSS) argues that texts like the *Ramcharitmanas* and *Manusmriti* must be edited in the light of subaltern sensibilities.

For instance, Amir Chand of Samarth Bharti, an RSS outfit, stated, "In collaboration with the Ministry of Culture, we are debating the removal of

portions from the *Manusmriti* which are anti-Dalit and anti-women and often quoted in arguments against Hindu scriptures." Similarly, Babukumar Pandey, the head of Akhil Bharatiya Trihas Sankalan Yojana, another RSS outfit, announced a plan for modifying the Ramayana to weed out verses that are not in sync with the ideal image of Ram. These endeavours circumvent the traditional Hindu framework of multiple interpretations of texts and traditions. For instance, the *Bhagavad Gita* has undergone radical interpretations at the hands of Bankim Chandra Chatterjee, Tilak, Vivekananda, Gandhi, etc., thus becoming a creative tool to mobilise the masses. However, the sanctity of the text was never sought to be altered; the political game stopped at interpretation. Political Hindutva has no such restraint.

A new hierarchy

This unique characteristic signifies a new hierarchy between religion and politics. Here, religion is not only relegated to an inferior position but has also been effectively vanquished and used as a handmaid by the political. Therefore, the dominant order of Hindutva is not just the secular, the Left, the Ambedkarites and the assertive religious minorities. In fact, in its populist avatar, Hindutva finds it easier to tame these rivals. These oppositional discourses suit its political project. The real other that contemporary Hindutva slates away from acknowledging, but is perpetually wary of, is internal to the discourse: the Dharmacharyas and their devotees. Hindutva seeks to show them their marginal place in the age of subaltern religiosity. However, in doing so it faces a challenge as it ends

up alienating a section of the core support base.

Therefore, the real question in the event at Ayodhya is how far Hindutva is willing to up the ante. The brazenness with which it is proceeding with the programme while disregarding ritual objections ironically places it on the same page as the Ambedkarites, who oppose Brahminical ritualism. Yet, Hindutva is taking this bet because this suits its populist appeal. The more it de-ritualises religion, the stronger is its appeal among the subaltern. The logical end of this quest could only be a religion without rituals — a handmaid which would dole out the tune of the political. In that state, the rational approach of political economy would be on a slippery ground as a religio-cultural framework without the restraints of rituals would be malleable enough to find a resonance with the majority.

This explains the counter-intuitive moves of Hindutva to disregard the dissent of the conservative Dharmacharyas, whose prominence denies the saffron an exclusive claim to the religious sphere. Without marginalising them, Hindutva would neither vanquish the religious, nor employ it popularly to find resonance with the subaltern and the technocratic youth. The latter two are not religiously conservative in orientation. Though it may sound ironical, at present the most formidable challenge that Hindutva faces is not from the secular liberals, but rather from the conservative discourse from within. However, Hindu conservatism is on the retreat. This has been primarily due to the addition of two new constituencies within the fold of populist Hindutva: one, a thicker chunk of lower OBCs and Dalits and, two, a post-globalisation middle class looking for rapid disruptive change. The first constituency was never deeply interested in Hindu conservatism as it wasn't a beneficiary of it. The second has actually made a generational shift from a conservative base and, in the words of Danish political scientist Michael Bang Petersen, shares the mindset for a "need for chaos". It seeks disruption while paying lip service to conservatism. Nevertheless, Hindu conservatism is the last bastion that right-wing populism seeks to vanquish effectively.

Sajjan Kumar is a political analyst associated with Peoples Pulse

A big departure from the past

Sri Lankan Tamil political parties have realised that their bargaining power is tied to the economic progress of the Tamils



T. RAMAKRISHNAN

Sri Lanka's parliamentary election, scheduled for August 5, is unique for three reasons: one, there is no festive atmosphere associated with campaigning due to COVID-19-related safety protocols. On the bright side, the restrictions have meant fewer hate speeches, according to the Centre for Monitoring Election Violence, a Colombo-based non-governmental body.

Two, this is perhaps the first time in nearly 70 years that the Sri Lanka Freedom Party (SLFP) and the United National Party (UNP) are no longer considered the principal forces. The Sri Lanka Podujana Peramuna (SLPP), a four-year-old party headed by Prime Minister Mahinda Rajapaksa, has occupied the space vacated by the SLFP. The UNP, which was in power mostly between January 2015 and November 2019, has suffered a split with large sections of the party rallying around the party's candidate for the 2019 presidential election, Sajith Premadasa, under the banner of the Samagi Jana Balawegaya (United People's Front). This seems to have given the SLPP an advantage, despite the dissatisfaction among some people over the management of the COVID-19 crisis.

Three, importance is being accorded to the economic agenda in the manifestos of the Tamil National Alliance (TNA), led by veteran parliamentarian R. Sampanthan, and the Tamil Makkal Thesiya Kootani (TMTK, Tamil People's National Alliance), led by former Chief Minister of the Northern Province, C.V. Guneswaran.

There are candidates from other parties in the fray too. In the Northern Province, Fisheries Minister Douglas Devananda, and Chief of the Tamil National People's Front, Gajendrakumar Ponnambalam, are seeking re-entry into Parliament through Jaffna. In the Eastern Province, commander-turned-rebel of the LTTE, Vinayagumorthi Muralatharan (Karuna Amman), and former Chief Minister of the Province, Sivasanthurath Chandrantham (Pillayan), are trying their luck in Ampara and Batticaloa, respectively.

Political empowerment first

At stake in the North and the East are 29 seats of the 196 electable berths in the 225 member-strong Parliament. For long, major parties representing Sri Lankan Tamils preferred to focus on political empowerment of the Tamils instead of socio-economic deve-

lopment of the two Provinces, regardless of the impact of the civil war and its aftermath on livelihoods. Despite reports of rampant drug addiction and alcoholism among Tamil youth in the post-war years, they turned a blind eye to the problem. Though included in the 2015 TNA manifesto, economic issues did not figure prominently. Now, in a significant departure from the past, the TNA and the TMTK have dealt with the economic agenda substantively in their manifestos, without diluting the importance of a political settlement to the ethnic issue. The TNA promises creation of an alternative economic order in the region, revival of cooperative societies, access to India through the Palky airport and the Kankesanthurai harbour, and FDI from the Tamil diaspora and the international community. It has underscored the need for tackling drug and alcohol abuse. Apart from proposing the formation of two policy think-tanks and an action plan on education, the TMTK has stated the need to seek Tamil Nadu's help in establishing handlooms and technology parks and conducting industrial innovation skill training.

Pursuing the economic agenda

The TNA and Mr. Guneswaran, who was with the Alliance till the recent split in October 2018, have rightly been at the receiving end for their failure on the economic front. When Mr. Guneswaran was elected Chief Minister of the Northern Province in October 2013, expectations were high that the TNA-led Northern Provincial Council would herald a new beginning. But except for the completion of the first phase of the Palky airport, renewed efforts at the international Airport, before the 2019 presidential election, no major project took off in the region. The TNA and Mr. Guneswaran's priority was on political settlement, Constitution-making, justice and accountability. And in these areas, progress was extremely modest.

Perhaps, the criticism has forced them to take economic issues seriously. Though the campaign has not seen any major discussion on these issues, all those who get elected as representatives of the Tamils will have to ensure that the development agenda is pursued seriously. After all, the President is, in his own words, willing to be judged by his record on development. It is also up to the representatives to ensure that he honours his words. India too would be interested in participating in major development projects in the region. The Tamil parties should realise that their political bargaining power is tied to the economic progress of the Tamils. Otherwise, the goal of achieving political justice and justice for Tamils will remain elusive.

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Profiteering during a pandemic

Overcharging the public should be made a punishable offence under the Disaster Management Act

M.P. NATHANIEL

Soon after the government imposed a nationwide lockdown to contain the spread of COVID-19, prices of essential items shot up in several places across the country. The sudden demand for masks saw an ordinary mask being sold at ₹150 a piece, though it turned cheaper weeks later when there was mass production.

Slowly, as cases grew, reports were published of private hospitals overcharging patients, even after State governments capped COVID-19 treatment charges. In some private hospitals, patients were asked to pay lakhs even before being allotted beds. Even doctors working in these hospitals reported that they thought their patients were being fleeced. Compassion was nowhere to be seen. All that mattered was making money. For instance, after a patient's family lodged a complaint with the West Bengal Clinical Establishment Regulatory Commission that the patient had been overcharged, the Commission directed the private hospital where she had been admitted to refund ₹1.4 lakh of the ₹1.84 lakh charged for Personal Protection Equipment. The hospital was charging ₹7,000 a day for the cost of PPEs used by the doctors against the cap of ₹1,000 fixed by the West Bengal government. Not all patients who have been overcharged have been able to file complaints and received refunds, however.

The cost of medicines too shot up. In Srinagar, Remdesivir was being sold for as much as ₹36,000 against the normal rate of ₹6,000. The poor could not afford the medicine and looked to government agencies for help. In some places, those who could afford it purchased more than the required quantity leading to shortage. In Mumbai, seven persons were arrested for selling a vial of injection of Remdesivir at ₹30,000 against the actual price of ₹5,400.

Ambulance owners too chose to make good money in these pandemic times. For transporting patients up to a distance of about 10-15 km, they charged as much as ₹30,000 in Mumbai. For going to a hospital just 7 km away, a patient had to spend ₹8,000 in Pune. In Kolkata, patients were charged as much as ₹8,000 for a distance of 5 km, while in Hyderabad, transportation charges ranged between ₹5,000 and ₹10,000 for a distance up to 10 km.

During the lockdown, poor migrants who wanted to go home had to spend large amounts to hire vehicles. Buses operated by private agencies charged exorbitant fares. Most migrants could not afford these rates and had to trudge hundreds and hundreds of kilometres on foot. Many met with accidents and lost their lives in the process.

Similar scenes of extortion were witnessed in December 1984 when hundreds of residents around the Union Carbide pesticide plant fled Bhopal to escape inhaling the poisonous gas that had leaked from the unit. Way back in 1897, the British enacted the Epidemic Diseases Act of 2005 to empower the government to implement any measures that would prevent the outbreak or spread of any disease. According to the law, anyone disobeying the orders of any public servant can be punished under Section 188 of the Indian Penal Code.

However, this is not enough. Since exploiting the common man in such times has to be sternly dealt with, a provision ought to be incorporated in any disease. According to the law, anyone disobeying the orders of any public servant can be punished under Section 188 of the Indian Penal Code.

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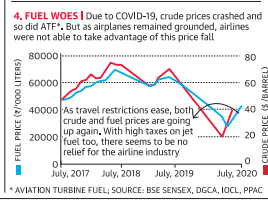
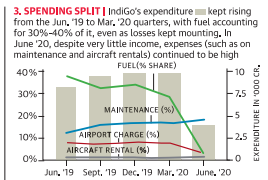
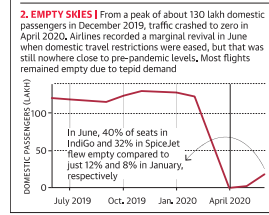
M.P. Nathaniel is Inspector General of Police (Retired), Central Reserve Police Force



DATA POINT

Deadstick landing

Airlines were in trouble even before COVID-19 struck. Due to stiff competition, tickets were sold at expensive rates despite high fuel prices, and this led to the collapse of Jet Airways. But with the pandemic impacting operations, airlines have hit an airpocket. Passengers are afraid to fly, the Centre has capped ticket prices till November 24, and international flights are suspended till August end. By The Hindu Data Team



The Hindu

FROM THE ARCHIVES

FIFTY YEARS AGO AUGUST 4, 1970

Welcomed in Peking

The young French rebels who have been flourishing Mao's red book will not be happy over the warm recognition given to them in the French Government's delegate in Peking recently. M. Andre Bettencourt, the Minister for Planning, was received by Mao Tse-tung himself and has reported that he found the leader in better health than he was six years ago. It will be recalled that at that time Mao was in the shadows as a result of the failure of the Great Leap Forward and the subsequent famine and that he has since established his supremacy with the help of the Red Guards and their cultural revolution. M. Bettencourt says, however, that he found China's leaders "concerned about the possibility of a new war" and that economic decentralisation had been undertaken with this in mind. The French Minister got the impression that the Chinese wanted to forge new links with France. Mr. Chou En-lai has publicly stated that countries like China were menaced by the superpowers who "always bully the small and the weak and contend for world hegemony." The Chinese feel that, if France continues the foreign policy of General de Gaulle, which they conceive as a policy of independence and neutrality, there would be a basis for co-operation.

A HUNDRED YEARS AGO AUGUST 4, 1920

Tagore on education

(From an editorial)

Dr. Rabindranath Tagore, addressing a large gathering of Indian students and others in England under the Presidency of the Right Hon. H.A.L. Fisher, Minister of Education, made an inspiring appeal for the creation of a centre of indigenous culture in India. He frankly criticised the development of our existing universities on the model of the Western universities and pointed out that the Western University is an organic part of European civilisation and cannot be transplanted wholesale to India like so much luggage. To strive after a material completeness which did not belong to the essence of a University was, according to Tagore, to squander money on mere money-bags. He remarked that India also was much to blame for her acceptance of an alien culture which she could not assimilate. "This education," he added, "was a chariot which they dragged behind them, instead of riding in it. In their eagerness for an up-to-date education they forgot that education ought to lead beyond the present date."



Time to unlock

J&K can return to normalcy only with full Statehood and release of political prisoners

At least two dozen politicians in Jammu and Kashmir remain in detention, some untried, and a year after it was deprived of its Statehood and special constitutional status on August 5, 2019. Last week, Peoples Democratic Party (PDP) president and former Chief Minister Mehbooba Mufti's detention was formally extended by another three months under the J&K Public Safety Act, but several others remain restrained within their homes in Kashmir, which is now a Union Territory under the rule of Delhi. Last week again, the administration flat out denied before the Supreme Court that former Union Minister and Congress leader Saifuddin Soz was under detention, though he has been restrained from moving and speaking freely. He was allowed to visit his ailing sister but denied a meeting with his daughter by the police on Friday. Neither the J&K government nor the Centre has released a list or number of leaders who were detained last year. At least 16 National Conference and eight PDP leaders are under house arrest, according to these parties. Former IAS officer and chief of the J&K People's Movement Shah Faesal and Awami Ittehad Party leader Engineer Rashid are in detention too. Peoples Conference (PC) chief Sajid Lone was released after 360 days in detention, last week. Two former Chief Ministers, Farooq Abdullah and Omar Abdullah were released in March.

The 2019 move of the Bharatiya Janata Party government at the Centre went beyond the strident Hindutva position against the special status of J&K by reorganising it as two Union Territories. The wisdom of the decisions remains an open question, though they refurbished the BJP's claims of muscular nationalism. The dubious legislative route that the Centre took and the communication restrictions on the population that followed cast a shadow on India's standing as a constitutional democracy. The judiciary – the J&K High Court and the Supreme Court – has not shown any alacrity to settle the constitutional and legal questions raised before it and in fact, appeared to privilege the Executive's position in the last one year. Some scholars have linked the continuing Chinese aggression in Ladakh to the change in J&K's status. The spirit of Indian federalism has been weakened. Mainstream politics in J&K has become impossible with leaders in detention and those released reportedly undertaking to stay away from any public discussion on J&K's future. This is not a sustainable situation if India wants to protect its global reputation and uphold the faith of its own citizens. There are two steps the Centre can take to start a conversation with the people of J&K – release all political prisoners and restore its Statehood. These will be wise steps towards healing and progress in J&K.

Toxic brew

Liquor tragedies can be prevented if States close the gap for hooch, ensure accountability

Once again, the scourge of illicit liquor has struck, this time in Punjab, killing more than 100 people and leaving many crippled. The victims, in Amritsar, Tarn Taran and Gurdaspur districts, were sold hooch that apparently had a large amount of denatured alcohol. The State government, which is responsible for both excise and law and order, has sanctioned financial relief for the affected families, and suspended some policemen and officials in charge of excise enforcement. Wiser after the fact, the police claim that there was an inter-district racket in operation and made several arrests; on the other hand, the kith and kin of those who died say the illicit brew was peddled virtually in the open by small-time vendors, some of whom have now been arrested. There are echoes in the tragedy of last year's two major incidents involving Uttar Pradesh and Uttarakhand, and Assam, both witnessing large-scale loss of life. Moreover, there have been fatal outcomes from the COVID-19 pandemic, as people desperate for alcohol consumed hand sanitiser as a substitute, most recently in Andhra Pradesh. Almost every year, India's moonshine market inflicts tremendous destruction in the form of blindness, tissue damage and death, as commercial alcohol becomes expensive for the less affluent, and corrupt bureaucrats allow that would be filled by illicit liquor vendors who almost invariably use toxic methanol instead of ethanol.

Policies that fail to contain illicit alcohol produce long-term health impacts, as people tend to consume brews that have higher concentrations of alcohol, or toxic substances such as methanol. This should be particularly alarming for Punjab, which continues to simultaneously battle significant levels of narcotic drug use. From a medical viewpoint, the availability of illicit spirits that contain lower alcohol levels, combined with a sustained public health campaign to wean people away from the drinking habit and to warn them about the effects of contaminants are key interventions. Health communication about harm from alcohol is particularly relevant during the pandemic, since there is evidence of reduced immunity to viruses among those who are chronic alcohol consumers. As the World Health Organization points out, governments should regulate the quality of legal alcoholic drinks, while actively tracing and tracking illicit alcohol. This can be achieved only through cooperation from the community, particularly from women's groups. Tragically, several States give low priority to revamping the excise administration and policing, paving the way for episodic death and misery. They must show determination to end the flow of toxic brews that kill scores almost every year. The capability of the health system in every district needs to be raised, to reduce the damage from methanol through immediate, simple detoxification therapies.

A year on, Article 370 and Kashmir mythmaking

The August 5 decision has led to a state wherein the very basis of a potential step of conflict resolution has been undone



HAPPY MON JACOB

While the long-standing ideological commitment of the Bharatiya Janata Party to undo Article 370 of the Indian Constitution is why Jammu and Kashmir (J&K) was stripped of its special status as well as Statehood making it a simmering cauldron of discontent, our collective mythmaking about Kashmir is the deeper reason for what the former State has become today.

Kashmir has been a favourite site of our national mythmaking, myths that have over the years assumed larger-than-life manifestations in our collective psyche. Kashmir has most things that popular myths are made of: mesmerising beauty, cross-border tension, deep states and their agents, war and heroism. Clearly, myths about Kashmir are not created by the right wing alone but by successive Indian governments over several decades, enthusiastically embellished by a vibrant, popular culture.

Demonsising Kashmir

The most prominent theme in the mythmaking is the narrative that is regarding the ills of Articles 370 and 35A of the Indian Constitution. Home Minister Amit Shah's statements last year on the floor of Parliament that Article 370 was the root cause of terrorism in Jammu and Kashmir is a widely accepted sentiment notwithstanding the fact that there is little material basis to it – neither was Article 370 responsible for terrorism in the Valley nor has its removal ensured a reduction in terrorism. If anything,

Article 370 continues to remain very much a part of a solution to the Kashmir conundrum. The constitutional provision is also held responsible for the J&K, stalling its development and preventing proper health care and blocking industries. Once again, these arguments lack merit and evidence.

J&K, as a matter of fact, has been doing much better than most other Indian States and one of the reasons for this was the land reforms carried out in the State in the early 1950s which was possible precisely because of the presence of Article 370. For sure, the educational and health sectors in J&K should be further improved (as should be in the rest of the country), but the reason for the under-performance of the educational and health sectors in Kashmir is not Article 370. While private enterprises could set up industries in the former State on leased land, as they have over the years, acquisition of land by public sector enterprises from outside the State was never a problem. Private investors do not set up shop in Kashmir due to militancy which is a product of an existing conflict; not because of Articles 370 or 35A. In any case, Articles 370 or 35A did not start the Kashmir conflict; if anything, they played a role in containing it.

Funding truths

The oft-cited counter-argument is that if J&K is doing better than the other Indian States, it is because of the massive amounts of funds provided by New Delhi. That is the cond myth. How subsidised by New Delhi was J&K? Did our taxpayer money actually go into sustaining J&K's relatively better position among the Indian States? Well if it did, it would weaken the argument that 'Kashmir needed to be developed'.



HAPPY MON JACOB

The argument is not that Kashmir did not receive funding from New Delhi. It did, but not massive funds as it is often made out to be. Economist and former State Finance Minister of J&K Haseeb Drabu makes a distinction between funds that went to the J&K government and those that went into economic development in the State. The J&K government's revenue deficit has traditionally been taken care of by New Delhi: J&K, for historical reasons, has had a bloated bureaucracy in comparison to other States and their salaries and pensions have been financed by the central government. But that does precious little for the State's economy or the general population. Then there are routine transfers of funds from the Centre to J&K which are also taken place from New Delhi to other States. Finally, J&K also received funds thanks to its status as a special category State which again is a case with several other Indian States. Put differently, J&K's better performance in comparison to most other Indian States is at least partly because of Article 370, and its well-being is not necessarily a result of New Delhi's economic packages.

Let us take the third myth about Kashmir, one that is repeated by politicians and scholars alike: 'Development can defeat militancy and insurgency.' Notwithstanding the fact that a cash-strapped country such as ours has inherent limitations

on how much development assistance it can provide to J&K over other States, the reality may well be that development may not lead to pacification of the conflict in Kashmir. The Kashmir conflict is a function of complex historical grievances, politico-ethnic demands, increasing religious radicalisation, and Pakistan's unrelenting interference in the Kashmir Valley. It would be simplistic to imagine that such a multi-layered and complex conflict can be resolved by the stroke of a pen effecting a constitutional change or providing an economic package. A cursory reading of the vast literature on conflict resolution would testify to that.

The deep impact

This overwhelming mythmaking on Kashmir has had unfortunate implications on how we understand and treat Kashmir and Kashmiris. The rare political unity in the rest of the country supporting the August 5 decision, especially on Article 370, was a function of this mythmaking. The popular cultural articulations about Kashmir and Kashmiris in the media, films, music and other cultural representations have further strengthened these myths. That 'Kashmir needs to be reunited with the rest of India' has been a powerful claim made by such representations and political articulations; no matter whether Kashmir was easily India's most securitised State with various central institutions and agencies undermining not only what was left of Article 370 prior to August last year but also impeding the elected government's power in the former State.

Yet another popular perception about 'Kashmir as troublemaker and sympathisers of terror' has led to a noticeable increase in the mistreatment of Kashmiri Muslims

in the rest of the country. How little empathy exists in the country today towards the plight of the Kashmiris (including mainstream politicians) is a direct outcome of such mythmaking.

Hard realities

This mythmaking about Kashmir has today led us to a situation wherein we have undone the very basis of a potential process of conflict resolution in Kashmir. If indeed Article 370 was a stumbling block in bringing Kashmir closer to the rest of India, a source of extremism and separatism in the Kashmir Valley, and an avenue for Pakistan to gain a foothold in the Valley, has the removal of the special status brought Kashmir closer to India, reduced the sources of extremism and separatism, and undermined Pakistani influence in the Valley? Most indicators of violence in Kashmir have shown an uptick despite the double lock-down that Kashmir is under today. Mainstream Kashmiri politicians today are as unhappy and disgruntled as the separatist politicians and the restive youngsters in South Kashmir. And Pakistan has left no stone unturned to aid and abet violence in the Valley. For Rawalpindi, all bets are off on Kashmir. India's national interest hardly benefits from such a toxic situation.

New Delhi's Kashmir policy today is caught between a rock and a hard place: there is no indication that the path that it chose in August 2019 would lead to peace and development in the Valley, nor can it revert to pre-2019 August status quo which would be political suicide for the BJP.

Happy Mon Jacob teaches national security at the School of International Studies, Jawahar Nehru University, New Delhi

A change that hit federalism, inclusion

The idea that Article 370 weakened the Indian Union is erroneous and against basic understanding of democracy



M.Y. TARIGAMI

Ever since Article 370 that broadly defined Jammu and Kashmir's relationship with the rest of India was upended and a new framework introduced last year, political activity in the erstwhile State has come to a complete halt.

In the last one year, the reorganisation of the erstwhile State was defended on the ground that it would lead to greater integration of J&K with the rest of the country. In a democracy, the concept of integration has to be evaluated from a multi-faceted system and lens, which includes the emotional aspect as well. And in that respect, sadly, the effect on the ground of the cataclysmic change of August 5, 2019 has yielded the opposite effect. J&K seems to be stuck in a morass.

First, the continued detention of political prisoners, particularly those who have been legislators and sworn in by the Constitution of India, shows that if democratic rights are not even available to the voices that speak on behalf of the Indian Union – voices that were more loyal than the king – how would ordinary people even think of enjoying them? Incidentally, this change was introduced on Au-

gust 5, which also happens to be the birth date of arguably the foremost scholar (and activist) on J&K, Balraj Puri; he passed away in 2014.

The two core ideas that he consistently advocated were: peace would not ensue in J&K without guaranteeing respect for the democratic rights for its people; to ensure that the most important tool would be a rigorous pursuit of federalism within the State. Both of these are particularly salient in the present context.

Key to integration

In his best-selling book, *Kashmir Towards Inclusion*, published in the early 1990s, Balraj Puri presented what that there was a persistent policy of denying Kashmir a right to democracy; one-party rule had been imposed on the State through manipulation of elections; Opposition parties had been prevented from growing, and elementary civil liberties and human rights had been refused to the people. 'This refusal to integrate Kashmir within the framework of Indian democracy has provided the single greatest block to the process of Kashmir's emotional and political integration with the rest of India.' He repeatedly argued that the feeling of hopelessness and a threat to identity exacerbated by a political vacuum create a breeding ground for militancy. He emphasised that the pre-1947 to emotionally integrate Kashmir with the rest of India was to ensure that the people of the



State enjoy the same democratic rights and constitutional protections as the people across the country.

Lessons of the last seven decades in J&K are crystal clear. The more democratic rights we give to the people of J&K, the more they feel a part of the Indian Union. The present phase of political dormancy reminds me of the early 1990s when the Kashmir Valley was perpetually under curfew. It was only after the channels of communications with everyone were opened that the strength of India's democracy was exhibited. It was also realised that respect for human rights should be a key component of the Kashmir policy, as this and upholding national interest go hand in hand. These lessons were learnt the hard way with lot of sacrifices, of lives, including those of ordinary Kashmiris and security personnel.

Asymmetry and federalism

The last year should worry the entire country, as the constitutional change was an attack on Indian federalism. The idea that the pre-1947 to emotionally integrate Kashmir with the rest of India was to ensure that the people of the

of democracy and lessons learnt from the experiments of Indian federalism. J&K's separate flag and Constitution within the Indian Union represented asymmetry, which is integral to the Indian federal experience. It should be seen in the context of an urge for recognition of identity within the vast ambit of the liberal and accommodative spirit of the Indian Union.

There is plenty of evidence to suggest that such asymmetry has strengthened the Indian Union and led to better policy implementation and participation in political processes. In this respect, the multi-regional and ethnic J&K's quest for autonomy should be seen through the broader lens of a multi-layered appetite for political, economic and social empowerment of all the three regions; J&K remains a microcosm of India's diversity. J&K's immense geographical, ethnic and religious diversity should be the source of strength, rather than seen or viewed as a liability.

On devolution

I have always advocated, drawing from Balraj Puri's life-long advocacy of the state, that the devolution of political power from Centre to J&K would not lead to political hegemony of any one region or political party; rather, it should be accompanied with a devolution of powers within J&K to reflect the former State's divergent regional and ethnic urges. The institutional reconciliation of differences among these various shades of di-

versity is one of the prime components for a harmonious solution to the J&K imbroglio. Any devolution should have adequate federal checks and balances as accountability and transparency are at the heart of any successful federal democracy.

Overcoming the setback

Sadly, the decision, on August 5, by the Indian Parliament has left everyone dissatisfied in J&K, including the people of Jammu and the separated Ladakh. It has only compounded the divide between J&K and the rest of the country that we, as a political class in J&K, had been assiduously trying to bridge for several decades, and at grave risk to our lives.

As we complete a year of this new constitutional reality, the situation in J&K calls for serious inspection from all those who believe in an inclusive and accommodative idea of India. We need multiple bridges to build those between J&K and the rest of the country and among the various communities and regions of the former State. We need to build these bridges we will need a greater multi-layered, institutionalised decentralisation and respect for democratic rights for the people of J&K. And in this respect the developments that ensued after August 5, 2019 have run contrary to both.

M.Y. Tarigami is CPDM Central Committee Member, four-time Member of the J&K Legislative Assembly from Kulgam Constituency, and President J&K - CITU

LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

Confidence is key

There is no doubt that in this global pandemic, it is the synergy of classic economics and human values such as confidence or trust that are needed to overcome this crisis (Editorial page, 'Rebuilding India's confidence, revive the economy', August 3). The fact is that today, the most crucial trait of mutual trust is absent; we can see this in international relations between nations or leaders. Even within a country, there are different and contradictory points of view. In his book, *The Speed of Trust: The One Thing that Changes Everything*, Stephen M.R. Covey has talked about the importance of trust in our relationships as well as the criticality of it in a

collaborative and interdependent world. It is welcome that the former Prime Minister, Dr. Manmohan Singh, and his co-writer, Praveen Chakravarty, have also dwelt extensively on the importance of 'societal confidence and trust in aiding economic revival'. Currently, business/economic confidence has been overshadowed by fear which is only aggravating the prevailing uncertainty. Therefore, it is even more important that leaders make that extra effort to exhibit confidence.

TONY AUGUSTINE,
Bengaluru

State of the Congress

It was embarrassing to find former Union Minister and Congress leader Manish

Tiwari straining to underscore the indispensability of the dynasty's leadership for the party (Inside pages, Interview - Manish Tewari, 'Congress needs to have ideological clarity to take on BJP', August 3). His call for elections to appoint a full-time president if the Gandhi is not inclined to assume responsibility betrays the abject lack of confidence and utter confusion prevailing in the party. When Mr. Tiwari says that "princelings" Jyotiraditya Scindia and Sachin Pilot inherited their fathers' respective Lok Sabha seats, what does he think of the Gandhis? For the party to have ideological clarity and acquire a new narrative, it must have a paradigm shift

in its functioning. First and foremost is the indispensable need for inner-party democracy. Let a duly elected leader pilot the destiny of the party. The Gandhis have had more than their share of the cake. Political decency and grace demand that they stand aside and encourage the party to elect another leader. And the onus is on Congresspersons to support such a leader to the full and allow things to fall in place.

C.G. KURIAKOS,
Erithamangalam, Kerala

■ The Grand Old Party of India may have remained one of the major Opposition parties but its own failings, ranging from entrenched nepotism to a prolonged leadership vacuum, are what seem to have been

preventing its electoral resurgence with a bang. More than its successive electoral debacles, it is the failure of party's rank and file to honestly reckon with their own failings which is doing more harm than good to its standing in the eyes of voters. The recent meeting of the party's Rajya Sabha MPs only resulted in a blame game and spared the Gandhis. Its inherent culture of perceiving office as a privilege and inheritance rather than as a prize or reward for hard work and perseverance can hardly inspire young voters.

M. JAYARAM,
Sholavandan, Tamil Nadu

Hosted by the UAE
It is beyond comprehension why there is such an effort being made to hold the

Indian Premier League when COVID-19 is showing no sign of abatement ('Sport' page, 'IPL in UAE gets provisional govt. nod', August 3). The life of cricketers, from different countries, and support staff involved, would be at great danger by this mindless haste. Whatever be the precautions taken, there is always the danger of contracting the virus. The decision appears to have been taken in the belief that no cricketer would turn down a lucrative tournament, which only shows the attitude of the BCCI. Cannot the time and energy be better utilised to put the economy back on track?

V. SUBRAMANIAN,
Chennai

OUR VIEW

MY VIEW | BARE TALK



Bank reforms must not be held off by this crisis

Regardless of covid impact, stakes sales in public sector banks would be a good start. We also need other structural changes aimed at reducing government dominance of this vital sector

Sometimes, it does take a crisis to set things right. Recall the severe drought three decades ago that prompted India to adopt free-market principles for its economy. Now, with covid-19 having wreaked havoc, magnifying almost every weakness of our economic system, we must turn our attention to sector reform, counting upon the Centre to keep thousands of enterprises afloat: banking. It remains dominated by public sector banks (PSBs), which have over two-thirds of all assets and seem poised to be hit by a sharp fall in loan repayments after the covid moratorium ends. A majority of their borrowers have deferred their pay-backs, but interest charges have been piling up and business conditions are so bad that a large chunk of them may not be able to meet their eventual obligations. By one estimate, PSBs may need nearly ₹90,000 crore in extra capital this fiscal year to keep going. Some of this could be raised if the Centre were to take the Reserve Bank of India's (RBI's) advice and reduce its stakes in six PSBs to 5% over the next 12-18 months. In Punjab National Bank, Union Bank, Bank of India and Canara Bank, the government's stake is above 75%. In State Bank of India and Bank of Baroda, it is less. Still, in all, over ₹40,000 could be raised at current market levels.

The broad goal, though, should go far beyond arranging money to pump back into PSBs. The country needs them to perform better. Short of privatization, which could be placed on the agenda for later, one way to do this would be to keep their ownership apart from management by setting up an equity-holding company as a buffer between the two. This may grant managers more space to take

prudent commercial decisions and compete with their private sector counterparts. If a holding company is given autonomy, it may also be able to judge which PSBs would serve the country better in private hands, and help the government withdraw from the sector bit by bit. To attract investors, these banks would need loan books that are easy to judge the quality of. As of now, they are suspected to be much too opaque, a problem worsened by the moratorium, an extension of which would make it even harder to obtain clarity. Senior bankers in the private sector like Deepak Parekh of HDFC and Uday Kotak of Kotak Mahindra Bank have cautioned, deferring repayments beyond their expiry date of 31 August could create more problems than it solves. Many business debtors do deserve relief, but this can be done through a rejig of their loan terms. As for borrowers that cannot be saved and are bound to default, it is best to know of their trial of bad debts well in time. This would grant the government time to address a PSB crisis before it assumes unmanageable proportions.

Delayed recognition of the inevitable has haunted India's financial sector for decades. In a country where capital is scarce and its cost relatively high, money has higher "time value" than elsewhere. This puts a premium on resolving debt problems quickly. But, as former RBI Governor Urjit Patel has argued, policymakers face a dilemma. The sector cannot have PSB dominance under independent regulation—which makes bad debts hard to hide—and also expect these banks not to drain public resources. If RBI supervision must not let distress stay hidden and taxpayers must be spared the bill of bad assets, then the government must let PSBs out of its clutches.



Y. ANANTHA NAGESWARAN
is a member of the Economic Advisory Council to the Prime Minister.

On the last day of the month of July, a risk scenario began to form in my head as I woke up to the following five news items.

One, China and the European Union (EU) are to speed up negotiations on an investment agreement; two, US Secretary of State Mike Pompeo insisted on Thursday that the "tide is turning" in dealings with China, citing international support for Washington's policies even as he expressed "dismay" at the number of countries supporting Beijing's new security law for Hong Kong; three, anti-China sentiment in the US is at a "historic high"; a Pew Research survey finds, amid friction over trade, coronavirus and human rights, four, China's 14th five-year plan would mark a move towards "the second century goal", namely turning China into a powerful socialist country by 2049 when it celebrates its 100th anniversary, the Politburo said; it added that the nation would continue to enjoy a "strategic period of opportunities", five, in a separate meeting with China's political advisers earlier this week, President Xi Jinping said, "No country or person can stop the historical march of the Chinese nation's great rejuvenation."

The scenario I will speak of is blue-sky thinking or perhaps an exercise in wishful thinking. It is neither plausible nor probable at the moment, I admit, but anticipating black swans often requires

one to be unreasonable. So, here goes.

An axis of Germany-Russia-China is becoming more likely, no matter how infinitesimal is the probability of such an outcome, and how unlikely it was to begin with. With the euro temporarily becoming a stronger currency against the US dollar, and the EU seen to have agreed on debt mutualization among its member states (not quite, but mainstream media is painting it as such), and with Germany and the EU under Berlin's influence found to be pussy-footing the China threat, such a scenario is not much more plausible than a year ago.

Fearing isolation and lacking self-confidence, a new Democratic administration in the US (for now, it looks as if this year's White House election is for the Democratic candidate to lose), while keeping up the anti-China rhetoric in public, will quietly try to isolate Russia, bring Germany around and mend ties with China. The Pew Survey brings out the Democratic ambivalence over China quite starkly. However, the other three countries will not be persuaded because it won't be credible. American public sentiment will likely be against it, and even the US Congress may not fully back this stance. In the wake of such overtures, an emboldened China could try something even more adventurous or rash in Hong Kong, Taiwan and the South China Sea.

In all likelihood, a new US administration will respond fecklessly, further eroding its geopolitical credibility at a time when its economic might will look rather brittle, given its sub-par economic growth, large fiscal deficits and a mountain of public and private debt. The US dollar will be increasingly threatened by a coalition of the euro and Chinese Yuan. Stories abound of Russia and China wanting to settle in currencies other than the US dollar. They may even call for a new Bretton Woods meeting and global arrangement. The International Monetary Fund will throw its weight behind it. The US will still have a veto, legally, but,

the mainstream media would cheer the administration to fall in line and agree on an anti-currency standard.

America will need a leader who can steer the country through this flux. Will it find one? Unlikely. It might take a further decline in US standing, perhaps till 2026, for the country to embark on a long road to recovery of its status. But, it might not be the same country again. Should the scenario outlined above come to pass, where would it leave India? It would leave India vulnerable. The US must have the will to largely resolve among many fence-sitting nations, not to speak of a reluctant new American administration. India will have to become adept at harnessing US public opinion and influencing its lawmakers. To gain a chance of succeeding in these extremely challenging tasks, there are at least four prerequisites.

One is that India must shed its long-standing diffidence and must understand that it has an opportunity to play a major role in influencing global geopolitics. Two is that it must be clear-headed, for there will be many number of detractors—inside and outside the country—who will ridicule the effort, as they did when India tested nuclear devices. Three, India must punch above its weight without appearing to do so. And, four, India should work on gaining economic grip.

Adding to economic grip is possible only if economic problems are tackled promptly and with confidence. Policies that foster self-reliance can and should be pursued without being apologetic, but with a clear-eyed focus on extracting performance, productivity, good governance and ethical behaviour from the private sector in return. Without any obvious intent and plan, India may find itself in a position to influence—more than ever before—the shape of global events to come. It should not let such an opportunity go waste.

These are the author's personal views

10 YEARS AGO



JUST A THOUGHT

There's no way to rule innocent men. The only power any government has is the power to crack down on criminals. Well, when there aren't enough criminals, one makes them. One declares so many things to be a crime that it becomes impossible for men to live without breaking laws.

AYN RAND

MY VIEW | THE IMPARTIAL SPECTATOR

A legal case that highlights an entire legacy of bad laws

SHRUTI RAJAGOPALAN



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Last week, Supreme Court justices Ramana Kumar and Murari finally gave Prem Chandra long-overdue relief, acquitting the shopkeeper from Haryana 38 years after he was accused of a crime. The crime? On 18 August 1982, the state food inspector, upon testing, allegedly found four living meal worms and two live weevils in a sample of half a kilogram of pulses taken from Prem Chandra's shop. He was charged under the Food Adulteration Act, 1954, for selling adulterated half and for selling without a licence, both of which carry prison sentences and fines.

The case went through a trial court, which acquitted Prem Chandra after 16 years on 31 August 1995. Inexplicably, the State of Haryana appealed this decision. The high court took another 14 years to rule, and, reversing the trial court's decision, convicted Prem Chandra on 12 September 2009. Prem Chandra appealed the high court's decision, and after almost a decade, on 30 July 2020, the Supreme Court acquitted him. It found the

procedure followed for testing impetachable—there is no receipt for the sample sent for testing the next day, and no evidence that it was not tampered with during the 8-day delay in report submission by the office of the public analyst. It will be 38 years this month since this absurdity began. To add salt, not half, but old wounds, the case didn't even move at all until 2017.

When Prem Chandra was accused in 1982, Indira Gandhi was India's prime minister and the Bharatiya Janata Party was two years old and Narmak Halwai, starring Amitabh Bachchan, had just been released. When Prem Chandra was accused, Y.V. Chandrachud was chief justice of India, the Supreme Court that acquitted Prem Chandra includes his son, justice D.Y. Chandrachud.

This is not the only case of delayed justice. Criminalizing the ordinary is not an exception but the rule for state engagement with citizens in India. It seems, State iniquity and excesses add to people's misery.

What kind of society criminalizes poor quality half? One that implements socialism in a market economy, the market for everyday food commodities is robust and branding and reputation solve most kinds of adulteration problems. Typically, such problems are resolved directly by an

aggravated consumer through tort law or consumer courts. The state deals with error or negligence through civil penalties or fines. Criminal penalties are usually reserved for those who willfully add poisons or unsafe substances, or violate food safety standards in case of pharmaceuticals, where markets are thin or marked by high asymmetry of information.

In a socialist economy, even everyday food items are prone to adulteration. Socialist impulse and price controls, and the unintended consequence of price ceilings leading to shortages in quality, often through adulteration. When the price per kilogram of pulses is fixed by the State, the retailer's incentive is to add sandy gravel to adjust its quantity and "balance" the fixed price with the informal market rate. This was so rampant in India that it led to the death of some cases. The socialist solution was more bad regulation; i.e. criminalizing the activity to deal with the unintended consequence of the original bad regulation.

The problem disappears when the same goods are sold in a market where prices are allowed to adjust to market conditions. Not because the government is more vigilant in prosecuting food adulteration, but because adulteration hurts the reputation of sellers. An area where India still grapples with adulteration is poisonous

hooch in states enforcing alcohol prohibition.

Much of the blame falls on socialist planners who enabled the criminalization of ordinary activities in India. Their misunderstanding of market process, and how incentives operate, laid the foundation of much bad regulation in the country. India continues to criminalize a number of activities that would be better regulated by a combination of market processes and civil litigation.

An important and under-recognized consequence of such criminalization of ordinary activities is that it clogs the criminal justice system and delays justice. Justice was not just denied to Prem Chandra, but many others. A recent working paper by Aparna Chandra,

William H.J. Hubbard and Stal Kalantry, categorizing the Supreme Court's decisions from 2010 to 2015, finds that 29.1% of the court's cases were criminal matters—which makes sense, since these involve questions of life and liberty. But in the same time period, only 5.3% were constitutional matters, and a mere 0.2% were habeas corpus cases, which relate to even more grave and urgent matters of life and liberty.

All branches of government are to blame for their failure to understand economic dynamics and for this clog-up of India's already weak state capacity. Overzealous legislation has criminalized everything from half adulteration and the pulling of a train's hand-chain to cutting trees. A weak executive that lacks the capacity to execute these laws fairly then arbitrarily turns ordinary citizens into criminals with the full force of absurd regulation. So far, the judiciary has not struck down the constitutionality of these punitive laws, even though it has had time for it.

Respectively of economic ideology, a country that cannot swiftly dispose of habeas corpus petitions should not criminalize bad adulteration.

MY VIEW | A VISIBLE HAND

Formalizing labour is the ideal way to provide worker welfare

India should simplify its labour laws into a few codes, reduce business compliances and grant all workers an identity for aid



NARAYAN RAMACHANDRAN
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The world of work, wages and livelihoods is being deeply impacted by the pandemic. In addition to the direct health threat to workers and their families, the disruption threatens their physical, emotional, social and economic well-being. It is no exaggeration to say that the policy response for worker welfare and jobs will be among the most important responses to the current covid crisis.

The immediate responses to the pandemic related to public health, including lockdowns, social distancing, hand washing and quarantine rules. The economic responses included cash grants and macroeconomic liquidity measures. Around the world, and particularly in developed economies, workers have been assisted through various measures, such as unemployment insurance and a worker wage subsidy. Many European countries, including Denmark, Germany, France, the Netherlands and the United Kingdom, subsidized companies to keep workers on their payrolls. The US Federal Pandemic Unemployment Compensation Program under the CARES Act raised the unemployment insurance payment by an extra \$600 a week that programme lapsed over the weekend. European nations have also actively facilitated job-sharing programmes among workers, reducing the requirement for retrenchment. Some 10 million German workers stand to benefit from a scheme called Kurzarbeit, which literally means "short-work". Workers are paid nearly full wages for partial work without a need to lay people off. These work sharing programmes appear to be the most effective way (in terms of cost per employed) to manage a crisis from the worker's point of view, and they address the mental, economic and social impacts of the crisis.

The International Labour Organisation (ILO), which came into being in 1919, brings together the governments, employers and workers (GWE) of its 187 member states to help set labour standards, develop policies, and devise programmes that promote decent work for all women and men. The ILO has catalogued responses to covid-19 by four pillars: 1) Stimulating the economy and jobs 2) Supporting enterprises, employment and incomes 3) Protecting workers in the workplace, and 4) Dialoguing among the GWE to promote solutions. The ILO exhorts its members to "tailor their support packages so as to save businesses and jobs, prevent layoffs, protect incomes and leave no one behind".

The pandemic is like no other crisis in recent times. Some workers in the technology, finance and consulting sectors have been able to mitigate the effects because of work-from-home (WFH) policies. The pain, however, is being felt quite widely, and vulnerable workers are bearing the



RAJ K RAJHAT

brunt of it. Among the most deeply affected are women, who hold 70% of all jobs in the health and social care sectors, informal and temporary workers, including some in the gig economy, and young workers who are currently seeking employment. Migrants within a country and international immigrants have also been disproportionately impacted, with the degree of their adversity varying by the sustainability of their jobs and the coverage of their health care burden. Micro, small and medium enterprise (MSME) workers, particularly those who are employed in their own micro-businesses, have suffered the most acutely.

India has undertaken several measures to rescue its economy, including doses of fiscal and monetary stimulus and an MSME support programme. Direct measures related to the formal and informal labour market have been chaotic and uncoordinated. According to Schedule VII of the Indian Constitution, labour is a concurrent subject between the states and the Centre. The central government response has largely been reactive, responding to the situation as it unfolds. After a complete standstill with respect to migrants, a semblance of order has been restored with Shramik trains letting migrants travel to and from their homes. Due in part to labour shortage caused by mismanagement, a dozen states have relaxed labour regulations by issuing ordinances. (Uttar Pradesh (UP), Punjab, Gujarat and Karnataka have increased the maximum factory work hours per day to 12, and

from 60 to 72 hours per week (the ILO specifies a maximum of 9 hours per day and 48 hours per week). UP and Gujarat have further specified that the extra hours are not eligible for overtime payment. Many of these regulations are in violation of the draft labour codes proposed by the central government, which are currently in various rounds of discussion in Parliament. It seems likely that the President will not sign these and that they will be struck down under the principle of subsidiarity. India's task is complicated by the fact that only 10% of its labour force makes up the formal labour market. Add to this another 12-15% working as contract labour, and it means that only about 22-25% can be identified and provided specific support.

Large segments of unorganised labour, particularly in the MSME sector, agriculture, household activities and construction, are not part of the formal system, and therefore can only benefit from generalized subsidies or direct government-to-resident transfers, rather than as workers. So "welfare" becomes a general rather than specific idea. By collating and simplifying labour laws into a few codes and reducing labour compliances at the Centre and in each state, a concerted effort should be made to give workers a financial identity. Only then can the ILO's vision of dialogue be conducted and marginalized workers be given a voice that translates to welfare in times of crisis.

"PS: The future depends on what you do today," said Mahatma Gandhi.

MY VIEW | IT MATTERS

The deep fakes that publications must guard against

SIDDHARTH PAI



is founder of Sana Capital, a venture fund management company focused on deep science and tech in India

Last week, we saw four of US's Big Tech chief executives give evasive answers to sustained grilling by US legislators. The latter have mountains of evidence pointing to the violation of monopoly laws in that country. This covers both external representations and revelations from within each of the firms: Alphabet (Google's parent), Amazon, Apple and Facebook.

The issues with Google relate to its search results and advertising exchanges, while those with Amazon centre around its decision to compete with retailers that use its online presence as their primary go-to-market channel. The problems with Apple relate to its App Store fees and restricted competition on iPhone. Facebook had to answer questions on its 2012 Instagram acquisition. Parts of the American press treat this as the start of a large confluence for US Big Tech. The Washington Post's commentary on the eve of the hearings, said, "Congress brought the country's big banks to heel after the financial crisis, coaxed a tobacco industry

for impeding public health and forced airline leaders to atone for years of treating their passengers poorly. Now, lawmakers are set to turn their attention to technology, channeling long-simmering frustrations

with Amazon, Apple, Facebook and Google into a high-profile hearing. Some Democrats and Republicans hope will usher in sweeping changes throughout Silicon Valley. The Big Tobacco hearings took place while I lived in the US during the 1990s, and the fallout of those was indeed large, spurring off one of the largest and most financially damaging class-action lawsuits in history. Big Tobacco paid heavily.

The Washington Post and others may well be right about the long term. For now, the day after the hearings, all four companies under scrutiny reported their earnings, and while Google saw its first ever revenue decline, the other three posted surprising positive results, causing their stocks to climb rapidly. It would seem that investors and speculators on the stock market have not yet caught up with what the American press sees as a potential reality.

Speeding off the press, however, while Big Tech stocks were surging on 31 July, there was landmark move-down under. Australia is now leading the way in another area of Big

Tech regulation: Google and Facebook could be forced to pay Australian news publishers to distribute their content. If approved, a draft code announced by the Australian Competition and Consumer Commission would allow Australian outlets to secure payments in a few months. This seems fair, and hopefully the rest of the world will arrive at a similar view on paying news outlets for the coverage that they work very hard and spend heavily to create.

But down a technological wrinkle that is beginning to affect news outlets. In a US newspaper, *Age-Printer*, a journalist named Oliver Taylor accused London-based academic Mazen Masri and his wife Rykya Barnard of being "known terrorist sympathisers". Masri and Barnard are activists who gained prominence for a lawsuit they filed against an Israeli company named NSO (Group Technologies) whose spyware Pegasus is known for its remote surveillance of smartphones. Taylor also had to review the *Times of Israel* and *Jerusalem Post*.

Non-existent people could end up offering op-ed opinions unless we devise tools to filter out such fakes

Understandably, Masri and Barnard were upset. But Masri sensed something awry and reported Taylor to Reuters, which ran an investigative piece (<https://reuters.com/2020/07/29/oliver-taylor-who-claimed-to-be-in-his-20s-and-a-student-at-the-university-of-birmingham-the-university-couldnt-find-the-individual-and-so-reuters-had-the-only-known-photograph-of-him-analysed-and-found-it-was-a-deep-fake>). The news agency was unable to trace the journalist. Oliver Taylor simply doesn't exist.

While some of America's legislators were railing against Big Tech last week for "censoring" free speech on social media, the spread of misinformation is rapidly becoming one of the internet's most intractable issues. I have written before on how almost every social media network is on high alert over objectionable video content. Trying to weed out online conspiracies keeps them on the edge too. But no matter how vigilant they are, deep fakes have made it easier for conspirators to spread misinformation.

The perfect way to hide behind a false statement is to employ a deep fake. The problem for content moderators is that deep fakes are almost untraceable. One expert interviewed by Reuters said investigators chasing the origin of such photos are left "searching for a needle in a haystack—except the needle doesn't exist."

Big Tech recognises this problem. Even identifying a deep fake, let alone finding its creator, is a difficult task. Facebook got many participants for an open deep fake detection challenge that it ran last year. The company released the results in June 2020. The best deep fake detection model threw up the challenge. It turned out, only worked 65% of the time (bit.ly/2kg5ez2). Facebook says that this figure of 65% establishes a shared baseline for the artificial intelligence community to work with.

What was once a difficulty only for social media is now a pressing problem for news outlets as well. Publications that insist on factual accuracy and also allow varied voices to be heard may now need barriers to screen out the deep fake Taylors of the world. Being paid for their content by social media networks, as Australia is enforcing, will certainly help defray the costs of vigilance that news publishers have to bear.

MINT CURATOR



Some French champagne producers have lost 90% of their business. amcnco.com

Now covid is causing champagne wars in France

In the champagne vineyards of France, the season of ripening, plumping and sweetening of the grapes ready for harvesting at the end of August, known as the *veraison*, has begun. Maxime Toubart, a relatively small vigneron who produces 25,000 bottles of bubbly, has been cultivating his clients as well as his vines during the coronavirus crisis and is confident his business will survive. The same cannot be said for many other small vineyards, who say they will face ruin if they are forced to let their grapes wither on the vine. "We're very dependent on these export markets, which have been severely hit by Brexit and the coronavirus," Toubart adds. "Like everyone else, the champagne producers are suffering. Some of our members have seen a 90% loss of business."

The Guardian

Hire a saboteur if you want to end a relationship

In 2010, Takeshi Kuwahara was sentenced for the murder of his lover, the Isobata. What captured the world's imagination was not the tragedy itself, but the fact that Kuwahara was a *sakurazaka*—a professional hired by Isobata's husband to break up their marriage. The *sakurazaka* industry took a hit after the killing of Isobata. Along with fraud cases, the tragedy inspired some reform of the industry, including a requirement that private-detective agencies obtain licences. Yusuke Mochizuki, an agent of the "farewell shop" First Group, says that the effects included a clamp-down on online advertising of *sakurazaka* services, and more suspicion on the part of the public... Yet a decade on, online ads are back and business appears to be flourishing again, despite the high costs and controversies involved.

BBC

Corona outbreak among minks? It's happened

Coronavirus outbreaks at mink farms in Spain and the Netherlands have scientists digging into how the animals got infected and if they can spread it to people. In the meantime, authorities have killed more than a million minks at breeding farms in both countries as a precaution. The virus that first infected people in China last year came from an animal source, probably bats, and later spread from person to person, as other coronaviruses had done in the past. Some animals, including cats, tigers and dogs, have picked up the new coronavirus from people, but there hasn't been a documented case of animals spreading it back to humans. The outbreaks among the mink farms in the Netherlands and Spain likely started with infected workers, although officials aren't certain.

AP

Matrimony in South Korea can be a risky affair

Trinh met her murderer through a matchmaker. She was 29 years old and her future husband was in his 50s, court documents show... Seven months later, Trinh moved to South Korea to live with her husband, named Shin. Three months after that, she was dead. Trinh is one of thousands of Vietnamese women to marry South Korean men through matchmakers who set up brides with groom—a service that is not only encouraged in South Korea, it even subsidised by local authorities. Some couples have successful, happy marriages. But many foreign brides who meet men this way, officially classified as migrants through marriage, have become victims of discrimination, domestic violence and even murder at the hands of their husbands.

CNN

A site that will stay lethal for over 300 millennia

This place is not a place of honour," reads the text. "No highly esteemed dead is commemorated here... nothing valued is here. What is here was dangerous and repulsive to us. This message is a warning about danger." It sounds like the kind of curse that you half-expect to find at the entrance to an ancient burial mound. But this message is intended to help mark the site of the Yaster Isolation Pit Project that has been built over 2,000 feet (610m) down through stable rocks beneath the desert of New Mexico. The huge complex of tunnels and caverns is designed to contain the US military's most dangerous nuclear waste. This waste will remain lethal longer than the 300,000 years *Romeo and Juliet* has walked across the surface of the planet.

BBC