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VIEWS

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OUR VIEW

MY VIEW | PARALLAX VIEW



RBI should not give up on inflation targeting

Calls have arisen to abandon the use of monetary policy to control price levels. While these arguments do have some merit, we must let RBI do its job of keeping the rupee's value stable

Once the Reserve Bank of India (RBI) reconstituted panel for monetary policy convenes, which ought to happen soon, signs of a slight economic uptick might spell both relief and reason to keep its main lending rate steady at 4% in the hope that inflation will cool without having to tighten credit. The operative word here is "hope". Price trends lost clarity after covid threw both demand and supply out of gear. This flux is partly why policymakers now have big questions to confront. First, should our inflation target be raised when it comes up for renewal next year? And second, should we have one at all? In 2016, when we adopted the idea of formally asking RBI to contain rising prices, it was hailed as an answer to flare-ups seen in previous years. The policy seemed effective, too. The central bank had the authority to act against the inflationary effect of, say, a burst of fiscal profligacy by the government. RBI was finally free to do its core job as guardian of the rupee's value, thus assuring everyone a fair deal and granting our currency the stability needed to serve as a credible unit for long-range forecasts. Critics of inflation targeting, however, had argued that it was ill-suited to an emerging economy like ours. Even a flexible regime with a wide inflation band, they said, was far too rigid to foster growth. Today, as we worry about stagflation, their critique appears to have acquired some weight.

The use of a lending rate as a lever to control inflation is based on the monetarist view of prices being a function of money levels in an economy, but price spikes in India are often caused by supply disruptions, rather

than excess cash floating around. Our farm sector, especially, responds too weakly to signals of demand. Given such structural rigidities, critics argue, a credit squeeze to combat inflation could simply dampen business impulses without reining back prices. In this view, the price moderation seen after 2016 should be attributed less to RBI's policy actions and more to an overall slump in spending. This may or may not be true, and we will not know till the regime is tested against an economic upsurge. Until then, however, the link of cheaper or dearer loans with retail prices deserves a chance to prove itself. If it turns out RBI has actually acquired a handle on inflation, our 2016 shift would surely count as a reform breakthrough.

Another call to junk our inflation target draws upon the argument that only a big splurge by the state can haul India out of its corona stagnancy. If prices are let loose in the process, so be it. A fringe benefit: Inflated nominal data could make a revival look sharp and stir up animal spirits. Moreover, the extra debt burden taken on might anyway have to be inflated away. Admittedly, if push comes to shove, this could plausibly work. Since our currency is partly convertible, RBI might even get goaded into it by a dollar surge; vast greenback purchases to keep the rupee from getting overpriced could inject our economy with too much local cash to sterilize. Yet, we must not act in haste to abandon inflation targeting. Price stability is a goal too worthy to give up on. For the sake of fairness, if not the rupee, we should resist the temptation to use the "money illusion" of inflation for short-term ends. Most voters would probably agree.

When everyone begins talking about your life's second innings

People have rosy notions of retirement but can end up yearning to go back if they have no interests



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I am at that age when friends have begun to retire from their jobs. Had I been employed somewhere, I too would soon be the subject of a farewell party where colleagues present you a nice watch and a big card that says "A new innings begins now". But being a single-employee proprietary enterprise, I won't get the chance to listen to speeches about what a great guy/colleague/boss I was, some of them delivered by people who couldn't stand my guts. Or get that watch and card. Of course, in these covid times, farewell parties are virtual, the cards are pdf files, and maybe there's no watch.

Some of my friends quit work life years before they reached their 58th or 60th birthday. These gentlemen were clear about their goals and invested their money wisely for years so that they could live a retired life while maintaining their lifestyle. The day they thought they had reached their financial target, they quit. But such people are few in number and have to constantly find ways to escape being praised (with a strong undertone of sea-green envy) by near-strangers for their foresight, followed by "I need to sit down with you, I need your advice".

When we launched India's first personal finance magazine *Intelligent Investor*, which is now called *Outlook Money*, in 1998, the pre-launch issue we created to take around to potential

advertisers had a cover story titled "How to retire at 40". I don't remember what strategies we prescribed in that story, but as the magazine's editor (I was in my thirties then), I do recall realizing that I had missed the bus. But retiring at 40 is a hugely aspirational notion, even though very few can, and the moment my colleague Gautam Chakraborty suggested the idea, I knew that it was absolutely the right cover story.

And then there are entrepreneurs. Some of them work till the day they die. Others sell their businesses for a handsome sum, and have the choice of retiring. But most of them get full-time into managing their money, and many become investors in new ventures, which they mentor and meddle in. A few, though, turn to philanthropy, or to patronizing the arts, or do things they have always wanted to do—like write books, or do a PhD.

But what do you do when you are planning to do nothing? From what I've seen, most of them get bored out of their minds after some months, and start a new business. So it's back to work. However, the point is that they have a freedom that the vast majority of us will never have—to do what they want to, and when they want to, or to just walk away. That is something very precious, which they have earned after years of struggle, setbacks and high stress.

But no such luck for wage slaves who are put out to pasture. Usually, they look for some sort of consultancy work to keep themselves busy. Some, who feel they were unfairly denied full recognition in their careers, become retired welfare association (RWA) office-bearers, and finally find power and gratification in thinking up RWA rules that can inconvenience or restrict the freedom of as many residents as possible. Those who are lucky to have garden, find a pleasant pursuit there. But some seem to spend their entire days forwarding fake news and videos and getting into heated WhatsApp arguments.

Many bureaucrats, of course, are immediately snapped up at absurdly high salaries by the private sector, or spend the rest of their lives happily (all perks maintained) moving from one government committee to another, or parking themselves in a regulatory authority.

With lifespans rising, the retired period of one's time on earth is getting longer. Lots of people keep thinking, "Ah, just two more years to go, and then I can enjoy life." It's quite amazing how many people hate their jobs and have a misplaced sense of "freedom". But once they retire, they find themselves pining away for their cabins and colleagues. A friend's father worked for 32 years and lived an idle life for another 35, increasingly getting on his wife's nerves. The real trouble arises when you have worked really hard and never developed any other interest. The result is depression and family fits.

Rare is a man like my college-mate, senior to me by a few years, who retired recently. He ran his own company for 31 years, planned it all out for himself, sold his firm when he reached 60, and now intends to "lead a leisurely life with music, golf, bridge, reading, writing and social service". A few years ago, after a hiatus of decades, he began to play the guitar and sing again. He even started writing songs. That is as good as investing your money wisely far from 'taste' as a real second innings.

Today, a friend announced his retirement on Twitter. An 86-year-old former senior bureaucrat posted a reply, citing Tagore (translation mine): "You don't have any obligation any more to give or take; the game now is to just be and become."

And there are also people like me who can't imagine retiring. No garden, no RWA ambitions, no WhatsApp arguments. What I do is work, fun and a good reason to get out of bed every morning. Till my self-by day comes, I am quite happy being and becoming. Just one innings is fine.

10 YEARS AGO



JUST A THOUGHT

Steal a little and they throw you in jail, steal a lot and they make you king.

BOB DYLAN

MY VIEW | MODERN TIMES

The kind of corruption that could do India a good turn

MANU JOSEPH



is a journalist, and a novelist, most recently of 'Miss Laila, Armed And Dangerous'

As an Indian, I had many villains in my life, but the only ones I spoke to were autorickshaw drivers. As you know, they always demanded "extra over the meter". So to annoy them, I would place ten rupees "over" the physical meter. I imagined that the middle-class fury at their attempt to fleece me was a reasonable moral response. Until I visited a first-world nation for the very first time—Japan. The taxi fare from the airport to the hotel was my week's wage; public transport was many times more expensive than Indian taxi fare. And the simple truth occurred to me that auto fares in India were ridiculously low and designed to keep the driver poor to the advantage of people who were richer than him, and his overcharging was a natural compensation for an economic design flaw.

Something is wrong with what we think is right. Many of our moral expectations are absurd. Why did Indians flay Sachin Tendulkar for seeking a waiver on customs duties on a Ferrari he received as a gift when

most of us also seek tax exemptions? Wasn't the anti-corruption movement merely a war between bribe-takers and bribe-givers? Isn't there something unconvincing about our own self-loathing over bribery, corruption or being "too broadminded" in other ways?

We have been trained to chant that all of India's problems emerge from corruption. But the nation in plain sight tells us a very different story. That not all forms of corruption are bad, and some forms of it might even be beneficial. In an ideal world, there should be no corruption at all, but an ideal world wouldn't have human beings.

In her book *China's Golden Age: The Paradox of Economic Boom and Vast Corruption*, Yuen Yuen Ang, who is a "political scientist", says that there are four broad types of corruption. Petty theft is the corruption of low-level government officials and minor politicians. Grand theft is the much larger embezzlement of public funds by major politicians and powerful bureaucrats. Speed money is the bribe that citizens pay to access services that are meant for them. Access money, Ang

says, are the "massive bribes" businesses pay to get lucrative deals, approvals and bailouts.

In India, we have been trained to believe that access money is the worst form of corruption because it entails huge amounts and involves the most powerful people. But, Ang argues, China has continued to prosper despite corruption because its primary form of corruption is access money. In fact, Ang says, access money is beneficial to economic progress. "While corruption is never good, not all forms of corruption are bad. And the forms are equally bad for the economy, nor do they cause the same kind of harm."

Ang says that access money has locked China's top bureaucracy in a competition to attract investment. A by-product of this system of greed is swift, wide and deep prosperity. Also, at times access money does not deny another person's right to do business or disadvantage others. Often, it is a price paid for the creation of something new, which may not have existed otherwise. A refinery perhaps, or a bullet train venture. This is why

Ang says access money, while harmful, does less harm than other forms of corruption.

Petty theft and speed money rob the poor, make civil rights and entrepreneurship costly, and give low-level officials a powerful motivation to continue this unfair system. Grand theft conducts this at a much larger level. But access money, Ang says, brings huge investments.

In any system that works, there is a role for a thug. The thug ensures order by getting rid of other thugs. When the power of the prime thug is ambiguous, it means the system is not working well. Government itself is a benign thug. In a well-governed society, the government, in return for protection money, protects people who in turn are happy to pay up in the form of bribes. There is a system of thugs. A superior bribery system can abolish all other competing modes of corruption. The access-money system is that primary thug of corruption in China, as it motivates powerful officials to terminate other forms of

corruption. This is why, Ang says, compared to India, China has very little petty theft, grand theft or speed money.

This present condition of China, she says, is very similar to the glided age of the US, the late 19th century, when it graduated from chaotic forms to a higher form of corruption, the system of access money. Parts of that system were legalized.

Many things that a nation must do may actually be useful to it. Private enterprise, for example, during our destructive socialist era of economic idealism. In 2003, Arun Shourie, who has battled corporate corruption all his life, said that Indians should thank industrialists like Dhirubhai Ambani "not once but twice over" because "by exceeding the limits in which those restrictions sought to impound them, they helped create the case for scrapping those regulations, they helped make the case for reforms."

India's curse is that its access money system has not been able to abolish other forms of more harmful corruption. Across India, politicians and officials at lower rungs harm Indians through petty theft and speed money. Sophisticated politicians and officials who conduct grand theft or three-on access money have not yet created order. In India, corruption is still in its chaos phase.

Bribery has been shown to be bad for development only if it's too chaotic to generate value

happy to pay up in the form of bribes. There is a system of thugs. A superior bribery system can abolish all other competing modes of corruption. The access-money system is that primary thug of corruption in China, as it motivates powerful officials to terminate other forms of

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| MY VIEW | IN THE MARGINS

MINT CURATOR

Covid-19 has given conventional economic wisdom an overhaul

Much of what we took for granted has been pushed aside as we grapple with a problem that has upturned old assumptions



VIVEK DEHEJIA
is a Mint columnist

Whatever else one may believe about the ongoing covid crisis, one aspect is abundantly clear and beyond dispute—it gives us an opportunity—nay, it forces us—to rethink established concepts and models and hoary conventional wisdom. I was thinking about this while preparing my lectures on international trade and economic development. How much of what I taught my students 20 years ago, five years ago, or even last year before this crisis, would I stand by today? Perhaps not as much as I would have hoped.

Thus, much of conventional macroeconomics—especially as applied to economic policy—is in the process of being junked. The government “printing money” to pay its bills, until recently seen as a mortal sin, has now been downgraded to a venial sin, at best. Some heterodox economists—and a few mainstream ones too—now even see it positively, as a virtue.

Likewise, the idea that there is a limit to a government’s capacity to tax, and hence a limit on how much debt it can accumulate as a share of national income, has been thrown out of the window. The new orthodoxy says we don’t need to worry much about debt, as long as the nominal growth rate of the economy exceeds the interest that must be paid on the debt. And, with policy interest rates near zero, what’s the difference between raising revenue through taxation or by printing money? It’s all free money either way, evidently.

How about international trade? Preparing a class on the economics of globalization, I was reminded of an important article by economist Alan Blinder, which appeared in the journal *Foreign Affairs* in 2006. In fact, I wrote about it in these pages (“The return of trade protectionism”, 13 February 2016). Paraphrasing and summarizing what I said then, Blinder argued that the conventional distinction drawn by trade economists between traded and non-traded goods and services had become obsolete. According to the old view, goods (say coffee beans) were tradable, but services (such as a piping hot cappuccino prepared for you by your favourite barista) were not.

Blinder recognized earlier than most that technological change and the rise of outsourcing had rendered this old distinction moot. Now, what was relevant was whether a good could be transported cheaply or not, and whether a service could be delivered remotely without a serious degradation in quality.

Coupled with outsourcing, technological advances jeopardized blue-collar jobs in manufacturing, but also white-collar jobs that could be done more cheaply elsewhere. Thus, that the cost of reading



X-rays much cheaper in India than in the United States, radiologists in the US might be out of a job, along with factory workers. Interestingly, the jobs that would be secure were at the very low and very high ends of the value-addition chain. Thus, at the low end, until driverless cars and robots become an affordable reality, Uber drivers and restaurant waiters are safe; at the high end, celebrity sports stars are also safe.

While Blinder’s distinction remains conceptually valid, covid has turned the dial more at the high than low value-added level. Thus, drivers and waiters are still secure—indeed, they and other blue-collar workers are bearing the brunt of exposure to the virus, because their work requires physical presence—but supposedly secure white-collar jobs are not. Uber drivers and restaurant waiters are still secure—indeed, they and other blue-collar workers are bearing the brunt of exposure to the virus, because their work requires physical presence—but supposedly secure white-collar jobs are not.

Thus, an example of a safe job in my 2016 article was that of a celebrity psychiatrist. Which patient would want to fork out big bucks for a high-priced psychiatrist only to chat over Zoom? The experience of the psychiatrist’s couch, and his or her soothing presence, were part of the package—or so we thought. Now, with face-to-face contact all but impossible without putting oneself at risk, many high-end psychiatrists, wealth managers, and even spiritual gurus, are meeting their clients only virtually.

Similarly, those of us teaching at research-or-

ient brick-and-mortar universities used to look down with disdain at online universities. Yet, with few exceptions, most universities, even many prestigious ones, have gone mostly or partially online. In theory, this is temporary; in practice, this might last much longer than anyone predicted. And by the time conditions become safe again, would both professors and students have developed a preference for virtual rather than face-to-face interaction?

Something seemingly temporary may become permanent. These are the sort of “hysteresis” effects I have discussed in this column in recent months.

Then, why stop there? If you are watching your economics professor online, unless he or she is a Nobel laureate, why not pick a cheaper, remote option? Already, evidence suggests that many Chinese students, who have kept universities afloat in the Anglo-American world by paying hefty foreign student fees, are staying away in droves, and opting for the cheaper option of registering with local universities. If it’s all online, why pay more for a professor sitting in the US or Canada, unless they are a *home life* celebrities and you can afford the cost of admission?

When the dust settles, far more white-collar jobs in the rich world may be vulnerable to outsourcing than many realize. Now, that’s one prediction I’ll stand by.

| GUEST VIEW

The Gandhian dream of a non-violent economic model

RAJNI BAKSHI



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Amid the crushing despair of the Great Depression in 1930, John Maynard Keynes fondly hoped that eventually the human race would solve its economic problems. But for at least another 100 years, Keynes wrote “... we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still.”

It is this assumption, even more than the power of the British crown, that Mahatma Gandhi militated against. The *charhka* and rejuvenation of local economies were merely methodological details. Gandhi’s primary focus was on the profound structural violence unleashed by this assumption that lies at the heart of modernity.

The year of corona may yet shift the focus from Gandhi as an icon of political protest to Gandhi as a far-sighted economic thinker. In diverse settings, there is a buzz about “non-violent economics”.

Some of this was evident in the intensity of

global coverage on the passing of American anarchist philosopher and anthropologist David Graeber. Graeber was credited with inspiring the Occupy Wall Street movement and coining the evocative term “99% vs. 1%” to describe wealth disparity.

Non-violent economics shifts the focus from wealth distribution to difficult questions about what constitutes value and how it might be measured. This means going beyond calls for stricter regulation of transnational corporations and asking why money alone is the store of value. Why are greed and avarice treated as legitimate and necessary drivers of progress?

Over the last 30 years, there were two major developments on the world stage that created hope of overturning this worship of greed. One was the rise of the free or open software movement. The other was the rise of triple bottom line valuations along with the emergence of ethical investing as a pervasive phenomenon.

The open software movement gifted us the World Wide Web when its creator Tim Berners-Lee refused to patent its protocols. Subsequently, knowledge commons did grow in some spheres. But on the whole, as Berners-Lee has often lamented, the democratizing and decentralizing potential of the

web has been cannibalized by its own children—notably Google, Facebook, etc.

Today’s internet giants have not merely unprecedented concentration of money and power, but also a delusional expectation that just growing the volume and spread of alternative economic entities will save future generations from suffering.

Today’s internet giants have not merely unprecedented concentration of money and power, but also a delusional expectation that just growing the volume and spread of alternative economic entities will save future generations from suffering. This is because the malice of “foul is fair” is hardwired into global systems—not as a limited conspiracy but as a historical force that has grown in strength over 300 years. So, is there any hope for a non-violent economics emerging? Yes.

One, because covid might serve as a wake-up call for leaders and foot soldiers of the current global disorder. The link between environmental degradation and proliferation of ever-more-deadly pathogens is more widely acknowledged. Two, we are shockingly vulnerable as long as value is equated with money. If supply chains break down for long enough, even millionaires are in danger of starving.

Diverse advocates of “alternative economics” argue that building solidarity econ-

omies by encouraging greater localization will challenge the destructive dominant order. Going by the experience of such efforts over the last half century, this is unlikely to happen. It is delusional to expect that just growing the volume and spread of alternative economic entities will save future generations from suffering.

**Efforts that
redefine ‘value’
and how it is
stored hold out
the promise of a
better measure
of progress**

environmental degradation and proliferation of ever-more-deadly pathogens is more widely acknowledged.

Two, we are shockingly vulnerable as long as value is equated with money. If supply chains break down for long enough, even millionaires are in danger of starving.

Three, it is now more widely recognized that gross domestic product (GDP) as a measure of economic activity is grossly misleading, if not a lie.

When the use of irreplaceable natural resources is counted as GDP, for example fossil fuels and other minerals, depletion of capital is shown as income. Total spending on medical services, which adds to GDP, tells us nothing about the state of healthcare.

As long as GDP, “green accounting” of various kinds and the human development index are separate measures, the structural violence of the global economic system will continue unabated. Creating a combined measure that tracks social and environmental well-being is now a survival imperative.

Bhutan’s gross national happiness mechanism can be applied by others. The genuine progress index (GPI) developed by think-tank GPI Atlantic is another model to build upon. Likewise, US non-profit Holocoin is innovating systems for a regenerative economy based on non-monetary measures and stores of value. Such efforts hold promise because instead of directly attacking the “foul is fair” assumption, they seek to make it less lucrative. They are far from sufficient to overcome a crushing historical burden. But they do look like a light at the end of our tunnel.



It’s not clear if storks bred in captivity also migrate on being released.

Storks under watch but not for infant deliveries

Large, a white stork released onto a rewilded farm in West Sussex, is shedding light on the birds’ unpredictable migratory habits by flying to Morocco for her first winter and spending the summer in Spain. Scientists are using satellite tags to track white storks released onto the Knepp estate to learn what migratory habits the captive-bred birds will develop. When the project began, sceptics claimed that captive-bred storks would not migrate but the birds released at Knepp quickly crossed the channel at Dover. Data from the White Stork Project, which aims to establish them as a breeding bird in the UK, reveals that many of the birds spent their first winter overseas at landfill sites in southern Europe and northern Africa, where they joined other birds in large numbers to feed.

The Guardian

Nasa tests its new \$23 mn titanium space toilet

Nasa’s first new space potty in decades—a \$23 million titanium toilet better suited for women—is getting a not-so-dry run at the International Space Station before eventually flying to the moon. It’s packed inside a cargo ship that should have blasted off late Thursday from Wallops Island, Virginia. But the launch was aborted with just two minutes remaining in the countdown. Northrop Grumman said it would try again Friday night if engineers can figure out what went wrong. Barely 100 pounds (45 kilograms) and just 28 inches (71 centimeters) tall, the new toilet is roughly half as big as the two Russian-built ones at the space station. It’s more camper-size to fit into the NASA Orion capsules that will carry astronauts to the moon in a few years. Station residents will test it out for a few months.

AP

New uses found for love hotels in Hong Kong

Two weeks into dating, the now 20-year-old Waddy and 23-year-old Moomoo found themselves unwilling to separate after talking until the early hours of the morning. They both lived with their parents, so going home was not an option if they wanted some alone time. Their solution was to go to one of Hong Kong’s hourly love hotels. And in one of the most densely populated cities in the world, these hotels offer something that is hard to come by in Hong Kong—affordable privacy. Although traditional love hotels are not a new phenomenon, for a younger generation, they are becoming popular for reasons beyond passionate liaisons. With remote check-in, advance booking and in-room facilities such as TV streaming services or video games, it appeals to young couples who want to just hang out...

BBC

Friends too afraid to travel? Go with strangers

In a year of lockdowns, flight bans and general coronavirus chaos, there are still some options for people seeking overseas adventures. But what happens if you are the only one in your friend group willing to travel during these strange times? That’s exactly what happened to both Josiah Burton and Theresa Rocca. No one wanted to travel with them. And so, even though they were total strangers, they decided to go on vacation together. “I was supposed to be going to Japan with a friend, but Japan is now closed,” Burton, a 32-year-old from Iowa, tells CNN Travel. “So, I was looking for a country open to Americans. With no one to go with, he turned to 10X Travel, a Facebook group followed by 40,000 people that offers advice on ways to save money on the road.”

CNN

It’s literal now: Enlarge your base to win the race

Athletes with a larger bottom are able to reach higher running speeds, a study has found. Researchers examining the anatomy of elite athletes found those with a bigger gluteus maximus—the muscle that forms the bottom—enjoyed an improved track performance. The study revealed that the number of muscle fibres relate to the time it takes sprinters to run 100 metres, with the gluteus maximus explaining 44% of the variability in performance. Experts found that for sprinters, some muscles, such as hip extensor muscles, were far bigger compared to sub-elite sprinters, but others were similar, such as calf muscles. The previous study found that the growth of the gluteus maximus muscle was a key factor in the evolution of early human running capabilities.

The Independent

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The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

CHINA DRIVES QUAD

Meeting in Tokyo could well be the moment when Quad begins to turn from abstract idea to credible political coalition

AS EXTERNAL AFFAIRS Minister S Jaishankar travels to Tokyo for the meeting of the so-called Quad — or the quadrilateral forum involving India, the US, Japan and Australia — Beijing and its official media are letting the political bile flow. If Chinese leaders looked in the mirror, they would see that it is Beijing's overweening strategic ambition that is driving the consolidation of the Quad. The accidental origins of the Quad go back to the Boxing Day tsunami in the eastern Indian Ocean at the end of 2004, when the navies of the four nations came together on short notice to coordinate the regional relief efforts. Soon after, in 2007, Shinzo Abe, the then prime minister of Japan, articulated the concept of the Indo-Pacific and urged the collaboration between the US and the three Asian democracies — India, Japan and Australia — to stabilise the new strategic geography. It is only in the last couple of years that the Indo-Pacific geography has gained widespread political acceptance. This week's meeting in Tokyo could well be the moment when the Quad begins to turn from an abstract idea to a credible political coalition.

Over the years, Beijing has reacted with condescension and hostility to the Quad. It often dismissed the Quad as a pitiful effort to contain a rising China and occasionally painted it as a great threat to global peace and security. As the case for the Quad gained ground amidst China's post-pandemic aggression on multiple fronts, Beijing is trying to denigrate the forum and generate opposition across the region and within the four members. Chinese arguments obfuscate the cause and effect in the transformation of the Quad. Until recently, there was much reluctance in all the four capitals against embarking on any venture that would give political effect to the Quad. All four had serious economic stakes in China and a strong interest in building sustainable political relations with Beijing. All four tried to downgrade the Quad at different points. Resultantly, the Quad seemed a less-organised cousin of the BRICS forum that brings together Brazil, Russia, India, China and South Africa. What is transforming the Quad today from a talk shop into a purposeful strategic framework is China's growing unilateralism and brazen effort to establish regional and global dominance.

China seems to believe that it can keep pushing India on a range of issues — from aggression on the Ladakh frontier to deepening military partnership with Pakistan and from blocking India's membership of the Nuclear Suppliers Group to refusing to address the mounting trade deficit — and yet claim a veto over India's relations with other powers, including the US, Japan and Australia. Until recently, India has been the most cautious in imagining a robust future for the Quad. But Delhi's attitudes have begun to evolve as China's pressures on India intensified. No country, certainly not a large one like India, likes being cornered. Delhi may now be ready to contribute to the consolidation of the Quad.

READING THE RAIN

Two consecutive above-normal monsoons mean agriculture growth amid economic decline. More reason to focus on reform

THE RECENT SOUTHWEST monsoon season (June-September) has ended with an 8.7 per cent cumulative rainfall surplus for the country as a whole. This comes after a 10.4 per cent surplus in 2019, making it the first time since 1958 and 1959 when India has recorded two consecutive significantly above-normal monsoons. Moreover, rainfall has been above the long period average in as many as 13 out of the 15 months from July 2019. And it may even prolong, especially with global weather models forecasting the current La Niña conditions, favourable for rains in India, to continue through the winter months. Simply put, the rain gods couldn't have been kinder, amid the economic and public health devastation wrought by the novel coronavirus.

The farm sector has since the October-December 2019 quarter — even before the pandemic — been faring better than the rest of the economy. The recharged groundwater tables from the rain bounty, plus major reservoirs being 14.1 per cent more full than the last 10 years' average for this time, would contribute to a bumper rabi (winter-spring) crop on top of the monsoon kharif produce whose harvesting has just started. It means agricultural growth will outpace that of other sectors for the next couple of quarters as well. This defies the historical trend. Fast GDP de-growth episodes were always accompanied, if not led, by drought-induced farm output contractions. What's being seen now — record foodgrain, oilseeds and possibly even cotton production even as factories, restaurants, malls and airports are still grappling with the fallout of the COVID-19-induced lockdown — is unprecedented. Yes, there were some green shoots in September. Exports grew for the first time since February, the manufacturing purchasing managers' index pointing to expansion for a second successive month and auto sales rising year-on-year. But whether one month's data is suggestive of a trend isn't clear. No such doubts exist with regard to agriculture.

The three reform laws enabling free marketing, movement and stocking of agricultural produce should be viewed in this context. For one, they are well-timed and send out the right signals for attracting private investment — whether in direct procurement and aggregation, cold chain and warehousing, processing or organised retailing and exports. Secondly, they recognise the reality that India has transitioned from being a structurally-deficit to a surplus farm producer. The challenge of finding markets for produce is qualitatively different from that of managing shortages. The Narendra Modi government should stay the course on reforms and trust the ability of farmers and private entrepreneurs to face up to the challenge.

FREEZE FRAME

E P UNNY



ASHUTOSH VARSHNEY

THE TERM "DYSTOPIA" is often overused. But, given what is happening in the US, it can legitimately be deployed for the upcoming presidential election. We are witnessing the making of a dystopia — the world's oldest democracy, and perhaps nothing less than a frontal assault on the democratic process itself.

After cavalier defiance for months, President Donald Trump has tested positive for COVID-19. The electoral implications of this development are entirely unclear. The political logic of what he was doing thus far, however, is evident and can be analysed.

On November 3, the night of the election day, it is quite possible that Trump will be ahead of Joe Biden and will also claim victory. But days later, it is equally likely that Biden will be the winner. Why?

Surveys show that taking the pandemic seriously, most Democrats wish to vote by mail, whereas led by Trump, most Republicans, trying to prove that the virus is not a serious matter, will vote in person. Trump's COVID-19 infection may not alter this logic much. Counting of mail-in ballots will take time, for their authenticity requires official verification. That is why what happens on November 3 and the final results might seriously diverge.

In most democracies, this would simply not be an issue. Independent national election commissions, as the one in India, would first count all ballots and then announce results. Remarkably, there is no national election commission in the US. State-level officials certify elections in their respective states. These officials are not independent. Being part of state governments, they are partisan.

Notably, different states have different rules for voting and counting. Some have allowed mail-in voting for long years, and for some, mass voting is a male, made necessary by COVID-19, is a relatively new game in town. Moreover, some states allow early voting, and hundreds of thousands, if not more, have already voted. Counting rules also differ. Michigan, where roughly 3 million out of 5 million voters are voting by mail, forbids the start of mail-in counting until 7 am on the final voting day. In contrast, some states can not only start counting votes earlier, but also allow mailed ballots to

Institutional oddities of US polity mean Trump could win an election he lost

arrive after the election day.

This state-level cumopia has always mystified foreigners, as well as the Americans themselves. Samuel Huntington, a leading post-1945 American political scientist, called America a "Tudor polity", referring to the 16th-century English political institutions, which were imported in the US but never fully modernised. In contrast, in Britain and also on the Continent, the late medieval or early modern institutions were rationalised by the 19th century. In 1968, Huntington wrote that America had a "political system which remains as baffling to understand as it is impossible to duplicate".

While these underlying features of American polity have existed for a long time, the threat of their perilous usage comes entirely from Trump today. Assuming that most Democrats would vote by mail and most Republicans in person, he has relentlessly argued that mail-in ballots would lead to a fraudulent election. His own FBI director has testified under oath that mail-in votes have historically witnessed no great fraud. But Trump would rather have mailed ballots declared invalid than believe the historical evidence.

Trump is behind in all popular polls thus far, including those conducted by Fox News, whose admiration for Trump only grows further as he defies norms and evidence more fervently. Since presidential elections in the US are not decided by popular vote but by an electoral college, another political peculiarity, the real question is whether Trump can win the so-called battleground, or swing, states. These are states that are not reliably Republican or Democratic, and can flip to either side. In this election, there are at least nine swing states and depending on how much you believe the pollsters, the number could rise to 11 or 13.

The attitude of governors, or legislatures, in these states — depending on which arm of government is authorised by state law to have greater say in awarding the state to a presidential candidate — thus becomes critical. Will they go with Trump, accepting his own mail-in fraud, or will they, embracing mail-in ballots as legitimate?

Whichever way these states go, their decisions will likely be challenged in the

WORDLY WISE

THE SMALLER THE FARM, THE GREATER IS THE NEED FOR MARKETABLE SURPLUS, SO THAT THE FAMILY WILL HAVE CASH INCOME TO MEET THEIR NEEDS. — M S SWAMINATHAN

Supreme Court, which might end up having the last word on who the victor is. The US Supreme Court currently has one vacancy, which Trump is trying to fill with a conservative nominee, openly saying that to win the election, he might need her. Of course, judges nominated by Trump and approved by a Republican-majority Senate may not decide in favour of Trump, but their ideological stances, if not outright personal loyalty, could well serve Trump's electoral purpose. In other words, due to the institutional oddities of a Tudor polity, Trump could actually win an election he lost.

As if this is not befuddling enough, one more political twist has come into sharp focus. America has a history of voter suppression, a phenomenon most observers of established democracies find incomprehensible today. After the 1870s, Democrats in the South used to suppress Republican-leaning Black vote. Today, it is Republicans who do so, targeting Democrat-leaning minorities in the states they govern. One such method of voter suppression, among several, is making voting ID requirements tougher, which differentially excludes poorer Blacks and Hispanics. Another is simply the threat of violence by White supremacist vigilante groups. The Ku Klux Klan used to do this historically. Today, there are many such groups.

Among the most alarming parts of the first presidential debate, held on September 29, was Trump's refusal to denounce White vigilantism. Indeed, he effectively asked such groups to watch polls in areas where the vote against him will be massive. Vigilante violence might also be deployed after the election, if it is contested. Trump has heavily critiqued left-wing violence since the summer protests began, but has never spoken a word against right-wing violence, sometimes calling it wholly unavoidable.

In Trump's America, dog whistles have become bull horns. Those groups that wish to preempt a dystopia have a huge task ahead of them. How Trump's illness will affect the emerging lines of the political battle is unpredictable at this stage.

The writer is Sol Goldman Professor of International Studies and Professor of Political Science at Brown University

THE WAY OF THE SCHOOL

Quality of education, not religiosity, must be road ahead for Muslim community



J S BANDUKWALA

THE FIRST BONDS between Islam and India occurred during the lifetime of the Prophet. In 631 CE, a mosque was established in Kerala. Prophet Muhammad was aware of India as can be seen by his comment that a pleasant breeze is blowing from India. Even the Karbala tragedy has references to India — Imam Hussain urges his opponents to stop the killing and let him migrate to India.

Today, there are about 172 million Muslims in India. That makes it the country with the second-largest Muslim population. Muslims are spread all over India. They range from Azim Premji of Wipro to Dilip Kumar. Three Muslims have been President. There are countless others who have occupied the highest posts — Kirs Hasan Latif was Air Force Chief of Staff and Zafarullah Khan was Cabinet Secretary. M F Hussain is among our favourite painters, whose paintings are sold for millions. Incidentally, he was hounded out of the country as one of his paintings was disliked by our religious censors. Yet, the community is largely uneducated and poor. Why are Muslims cut off from commercial and academic trends?

Part of the problem is Partition. We are still paying the price for Jinnah's folly: the violence spawned religious hatred and revived old conflicts concerning mosques and temples. In a sense, this religious madness has paralysed our country all these 73 years.

One such conflict was over the Babri Masjid-Ram Janmabhoomi. A sickening clash

over a house of god rained countless families. The tragedy was compounded by politicians who sought power by inflaming passions on both sides. I was a victim of this mad fury. I suffered heavily, financially and emotionally. God alone saved my only daughter from a tragedy. What did these politicians gain by destroying the lives of innocents, who had no link to the mosque and no religious animosity?

It has been a long time since the British left. Jinnah got his Pakistan, but that too broke up on linguistic grounds, creating hell for millions who had to migrate, mostly on foot, across huge distances in search of peace and sanctuary. I wonder if politicians like Jinnah ever felt sorrow for what they inflicted. Tragically, we are still producing more such politicians.

How do we prevent such tragedies? On the Muslim side, they have to accept the reality of Partition. Equally, our Hindu brothers and sisters must accept that Muslims are a part of this country. There is no way we can remove such a huge population. No country will accept such a huge migrant inflow. We can see on our TV news the horror of people on boats trying to find safety in Europe. The CAA and NRC will only prolong the tragedy. Narendra Modi and Amit Shah must realise this.

The sight of 80-year-old Bilkees leading the Shaheen Bagh agitation was not a proud moment for our country. It reflects our sharp divisions, which have been made worse by the BJP leaders using full language against

Muslims. We live in an integrated world. This was best reflected by Time magazine, which highlighted both Modi and Bilkees — a reminder that if only both can communicate civilly, our country can gain a lot.

The way out lies with the Muslims of India. They have to overcome their bitterness of the last 73 years. Jinnah will not come back. We made a small beginning in Gujarat by forming Zehni Hilma Charitable Trust in 2005. It supports the education of Muslim boys and girls studying medicine, engineering and the sciences. Last year, we collected and distributed about Rs 80 lakh, benefiting over 540 students. This year we have started another scheme, with support from the Nobel Laureate Venki Ramakrishnan. We identified 10 girls, four Hindus and six Muslims, from a slum in Vadodra. They were studying in municipal schools at the secondary level. We got them admitted to a good school. I confess the task was tough. But the name of a Nobel laureate helps. We pay for their school fees and transportation. It is costly. But it is an experiment worth completing.

The writer is a former Physics professor and a human rights activist based in Vadodra

OCTOBER 5, 1980, FORTY YEARS AGO

PM'S LETTERS

PRIME MINISTER Indira Gandhi, is understood to have written separate letters to Iraqi President Saddam Hussein and Iran's President Bani Sadr making an impassioned plea for a peaceful resolution of the problems between the two countries. Available information suggests that Mrs Gandhi's letters are identical in content. Ever since the conflict broke out between Iran and Iraq 10 days ago, the Indian government has observed strict neutrality. This is mainly because India enjoys a friendship with both Iran and Iraq. Mrs Gandhi in her letters to Hussein and Bani Sadr is understood to have underscored the fact that India enjoys

friendly ties with both countries and as such, it is a matter of concern for her to see that two of its good friends are engaged in bitter fighting over matters that can be sorted out amicably.

NO CEASEFIRE

IRANIAN RELIGIOUS LEADER Ayatollah Khomeini rejected Iraqi ceasefire offers and threatened Iraq's Arabs supporters with retaliation as the undeclared Iraq-Iran war continued into its 13th day. "The Iranian nation and armed forces will revenge the crimes of the bloodthirsty Baath Party (of Iraqi President Saddam Hussein) and continue their battle until final victory," radio Teheran

monitored in London quoted Khomeini, as saying. The message was addressed to the "Iraqi nation and Muslim countries, especially sheikdoms, in the region".

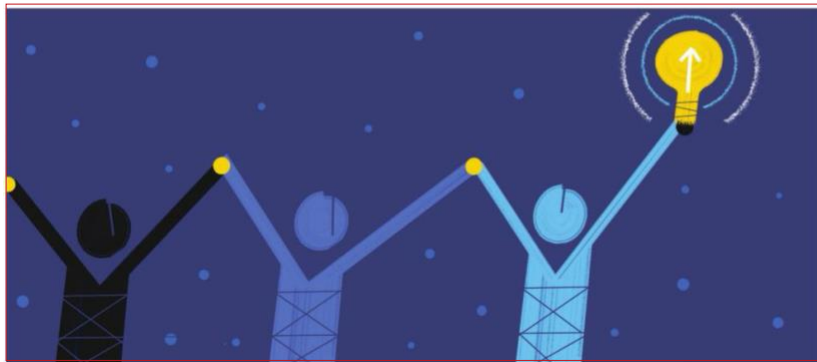
INDIRA'S CAUTION

PRIME MINISTER INDIRA Gandhi cautioned against the country's twin menaces — subversion from outside and politics of violence within. Addressing a mammoth public meeting at Sujapur, 12 km from Malda, Mrs Gandhi said both these threats could be met through a determined united national approach by patriotic and people rising above petty political considerations.



THE INDIAN EXPRESS, MONDAY, OCTOBER 5, 2020

THE IDEAS PAGE



Stepping out of the frame

COVID could introduce a new pressure point on governments that compels them to look at inherited structural problems through a different prism, a more collaborative and networked model of governance

OVER THE BARREL
BY VIKRAM SINGH MEHTA

OUR DECISION MAKERS are focused, understandably, on containing the pandemic and rekindling economic growth. But, in the midst of these immediate pre-occupations, they are also confronted by the structural impediments that have held back growth pre-COVID, and which if not addressed, will be a drag on growth post-COVID. One such long standing structural issue is the financial plight of the State Electricity Distribution Companies (discoms) that deliver power to consumers.

My colleagues in CSEF, Rahul Tongia and Rajasekhar Devaguptapu, have recently completed a detailed analysis of the finances of these discoms and I want to, in this article, draw on their findings (<https://csef.org/in-pact-paper>) to throw further light on these entities but more importantly, use it as an illustrative example to show up the inadequacy of single-pronged economic, financial or technical solution for removing the structural impediments to faster growth. The problems of land acquisition, labour markets, urban congestion, air pollution, farmers remuneration, subsidies — the list of the structural strains coursing through our polity is long — can only be tackled through multi-pronged and networked responses.

The financial problems of discoms are well-known and longstanding. They have been the subject of much debate, study and controversy. Governments at every level have sought to clean up the mess but with little success. NDA 1 introduced the UDAY scheme to pare down their debt and rationalise electricity pricing. It did not make a material dent. More recently, the finance minister allocated Rs 90,000 crore (later raised to Rs 1.25 lakh crore) to discoms in her Rs 20-lakh crore stimulus package. This is roughly the amount the

government portal, PRAAPTI, indicates are the dues owed by discoms to the power generators. The CSEF study suggests, however, that these are gross underestimates and that this liquidity infusion will be inadequate. They point to the figure put out by the Power Finance Corporation for March 2019 of Rs 2.27 lakh crore. More insightful, perhaps, is their suggestion that, were all the stakeholders involved in the electricity value chain (generators, transmission companies, discoms, consumers, regulators and state governments) to clear their dues to each other, the discoms would look much stronger. Discoms are owed approximately Rs 1.8 lakh crore by consumers alone, of which a third is due from state governments themselves. This latter payable is over and above the subsidy short fall of Rs 70,000 crore, cumulative over a 10-year period, that state governments had committed to pay but never did.

The discoms are, no doubt, inefficient and the losses on account of aggregate technical and commercial (ATC) leaks are avoidable. But when these losses are set against the amounts owed to them by various state governments and the "opportunity losses" that they have incurred because of the failure of the regulators to clear their dues to each other, it is clear that the financial plight of discoms has more to do with political and regulatory issues than operational dysfunctions. Under such circumstances, the infusion of liquidity and/or single pronged solutions like privatisation would simply not address the underlying reasons for the malaise. What is required is a multi-pronged and networked overhaul of the discom sector and, in particular, the regulatory structure and deliverables. All stakeholders will have to take a haircut.

The study forewarns that the financial hole into which the discoms have fallen will deepen in light of COVID. This is because of the sharp decline in the demand for electricity by the industrial and commercial entities who pay "full price" to the discoms and whose revenue cross-subsidises agricultural and rural households. It avers that even when demand picks up, these entities may not return in full measure to discoms but may instead turn to renewables to meet their requirements. The consequent loss of revenues would pitch the discoms over the edge unless the sector is overhauled.

Looking ahead and picking up on the un-

derlying message in this study, several generic questions need to be asked. Is there any reason to hope that the government might indeed pick up the cudgels for wholesale structural reform? Might it be that in a post-COVID world, the government will find itself under pressure to step out of the frame within which its responses have been traditionally developed? Might we see a narrowing of the gulf between the prescription of a solution and its implementation?

I do not have answers, but I recently heard a new word — *geopolitics*. It was used by Ann Marie Slaughter, CEO of the thinktank, New America, to suggest that the problems of the world are planetary and therefore, require globally networked solutions unconstrained by the limits of national boundaries, economics, technology or social identity. She alluded specifically to the pandemic and global warming, but she could just as well have been talking about racism, refugees, inequality and/or fundamentalism. She made a further point that Generation Z and the millennials have different priorities from their parents and are increasingly impatient to see progress on these planetary issues.

I do not want to make too much of a word, but I will admit, it did trigger the thought that, perhaps, COVID will introduce a new pressure point on governments that would compel them to look at the inherited structural problems through a different prism. This pressure point could be to convince around 85 per cent of the population that they are — or may become — the victims of cultural assault and that the majority religion is under threat. So, the next category of new victims are Hindus. They are also the new ordinary citizens who have, thus far, had to put up with "minority appeasement". Muslims who protest against a law they may disagree with are no longer a category of ordinary citizens with grievances. They and those who support them are the opposite of citizens — anti-nationals. In this climate of new ordinary — which is linked to a new national identity — filmmakers, activists and academics can be investigated for holding opinions that do not tally with official ones. They too are not ordinary citizens.

The writer Chairman and Distinguished Fellow, Centre for Social and Economic Progress (CSEF)

WHAT THE OTHERS SAY

"To ask that Trump's outspoken, damaging and dangerous denialism about the threat the virus poses should not now colour the way voters regard him, or affect the way opponents react, is to ask too much."

— THE OBSERVER

The new ordinary

The new ordinariness is the basis of majoritarianism. The ordinary person is no longer an empirical entity



SANJAY SRIVASTAVA

THE NATURE of Indian democracy — its constitutional guarantees and the duties of those who govern — is based upon the figure of the ordinary person. Historically, the personification of ordinariness emerged from the national movement and took concrete shape in the immediate post-colonial period. Independent India's policies of development and growth — whether the "socialist" model was followed or not is a different issue — were specifically focussed on those at the margins of economic and social boundaries. Ambedkar spoke out on behalf of women and Dalits. Lal Bahadur Shastri coined "Jai Jawan, Jai Kisan" and Indira Gandhi's slogan "Garibi Hatao" foregrounded a very specific Indian as the object of state policy. The ordinary citizen was an empirical entity.

In the present time, the idea of the ordinary Indian has shifted. He (we continue to imagine citizenship in gendered terms) is now part of a new imagination and his ordinariness is quite different from that of the earlier one. The making of a new idea of the ordinary citizen also lies at the heart of some of the most significant political and cultural processes of our time.

The first aspect of the new ordinary citizen is the changing nature of perceptions of victimhood. It is now middle-class people who tend to think of themselves as victims: They pay taxes and the poor don't; they pay for security and the poor don't; and that they have been victims of both the reservation policies and "minority appeasement". The empirically poor are no longer regarded as victims of social and historical circumstances or as deserving of any special measures to improve their lot. There are unlikely to be any political consequences for the government's stand that it has no data on COVID-related job losses. Or when the body of a Dalit rape victim is cremated without her family's permission. They are no longer the ordinary citizens.

We are in the middle of a new nationalisation of ordinariness, driven by an altered politics of victimhood. Within this logic, it is possible to convince around 85 per cent of the population that they are — or may become — the victims of cultural assault and that the majority religion is under threat. So, the next category of new victims are Hindus. They are also the new ordinary citizens who have, thus far, had to put up with "minority appeasement". Muslims who protest against a law they may disagree with are no longer a category of ordinary citizens with grievances. They and those who support them are the opposite of citizens — anti-nationals. In this climate of new ordinary — which is linked to a new national identity — filmmakers, activists and academics can be investigated for holding opinions that do not tally with official ones. They too are not ordinary citizens.

The cult of new ordinariness appears to have taken a strong grip across a number of institutions that, in a democracy, have the serious responsibility of protecting em-

pirical victims from the imagined ones. Courts of law are the most significant. A court is intended to be a social sieve, intended to sift and evaluate claims of injury and harm. Of course, they do not always work in anything like a perfect manner, but in societies where public opinion tends to be both undemocratic and inclined towards the status-quo, their role as social scrutineers is invaluable. Judges are human but the most admirable among them are those whose humanity lies in not being swayed by majority political opinion.

However, when the legal system uncritically accepts imagined rather than empirical definitions of ordinariness and victimhood, it takes part in the process of institutionalising social myths. It becomes complicit in tolerating a situation where the new ordinary citizens — politicians who might incite a crowd to kill those of another religion — become exempt from acts of law. It simultaneously creates a population of pseudo-citizens who, because of their "false" claims to being ordinary, are seen to deserve the violence that might come their way. Those who might speak on their behalf also become liable to be denied the protection of the law.

In the era of the new ordinary citizen — emboldened because he is now convinced that past governments have treated him unfairly — matters that affect everyday life become irrelevant. Jobs, economic growth and welfare, and issues of improved access to resources no longer occupy centre stage. The new nationalism is everything: It is a saviour for apparent past wrongs and politicians who wish to be easily able to use it towards political gain.

Following historian Benedict Anderson's lead, it has become common to accept that nationalism comes about through the "imagining" of a community of shared identity. However, it is actually, the new nationalism of ordinariness that is genuinely an exercise in nationalism of the imagination. Through multiple processes of re-defining those who have "actually" suffered and others who have benefited from false claims to suffering, it imagines into reality an entirely new subject around whom a new national consensus is to be built. And the historically marginalised become pretenders to ordinariness.

The new ordinariness is the basis of majoritarianism in the name of the ordinary person. It has historical precedents as well as contemporary resonances in other parts of the world. It is popular because it does not ask that we undertake the difficult task of thinking about what makes everyday life difficult and material advancement slow and unequal. It simply foregrounds the idea that someone else has benefited at our cost. And it does this in the name of personal identity. A political strategy that seeks to counter the politics of social and religious divisiveness must both understand the new politics of ordinariness as well as find ways of dealing with it. The commitment to constitutional values and safeguards is only one side of understanding the functioning of a democracy. The other is an understanding of the nature of the "people" and the shifting claims of ordinariness.

The writer is British Academy Global Professor University College London and Professor of Sociology, Institute of Economic Growth, Delhi



MADHU TREHAN

A woman's woman

The camaraderie Isher Ahluwalia shared with women was rich and fulfilling

GRIEF IS POSSIBLY the most personal and lonely of all emotions. In sharing it, one fears losing its depth that you want to preserve forever. But after reading all the tributes to Isher Ahluwalia, I feel compelled to bring forward essential components of her persona. All that has been written about her professional achievements, her determined academic adventures starting from a financially challenged background to scoring all her goals, is an important message for today's youth in similar predicament. That story cannot be shared enough. But, for those who had the privilege of knowing her personally, what she brought to her relationships will remain as the most indelible, extraordinary part of her. Ahluwalia was a woman's woman. A true feminist does not compete with men. Yet, the camaraderie she shared with women was rich and fulfilling. Notwithstanding her breaking the glass ceilings in the bastion of macho world of economists, Ahluwalia enjoyed and revelled in what can be called "feminine" areas. Despite being a high achieving working woman, her focus on motherhood was as crucial to her as her profession. We were of the generation when the bulk of parenting was the responsibility of the mother. And, there was great joy and humour in it. Keeping in mind her

formidable intellect and the usual political discussions, there was a side to her where she was as enthusiastic in talking about parenting, grandchildren, sarees, and, yes, hair. She was determined to look her best through her radiation treatments and planned her African themed turbans and caps. She turned to her love of Hindustani classical music and Gurba while recovering from tough cancer treatments. She was a magnet to young professional women. It was no surprise to me that a young dentist has a wall with Ahluwalia's article clippings in her clinic dedicated to her. She told me that Ahluwalia was like a mother to her.

Our relationship then spanned three generations when our children then grandchildren became friends. Ahluwalia would take the little ones for a meal to the India International Centre and paid as much attention to their views on subjects as she would to serious intellectuals. She spent valuable time with her grandchildren and often included me. She mentioned the joy she felt when my granddaughter called her "dadi". At one of the grandchildren's birthday parties, she brought ticked off a magician, who in the midst of his magic show, blithely made a comment about girls that she deemed as sexist. Even many feminists

would have simply ignored it to keep a "happy" atmosphere at a kid's birthday party. Not her. She roundly educated that hapless magician. Her grandchildren will grow up with her unmistakable influence even though she may not be physically present.

When her son was getting married, she told me how delighted she was to have another woman in her house after living with her brood of three men. Ahluwalia invested in her relationships. It is not by accident that her list of friends is long and deep, spanning around the world. Despite debilitating treatments, she travelled with her husband to other cities for his book events. She was determined to experience every moment to its fullest despite the challenges of being in the midst of treatment. In Delhi, in February this year, she was the undisputed star at her husband's book launch, her bravery outshining all of the political and economic discourse. After the book launch, friends joined them at their home for dinner. There, I went into shame-faced shock when she had her husband read out, in public, three pages she had written about me. It was totally undesired. She saw more in you than you really were.

Ahluwalia loved being a woman. I do believe, that her articles about water conser-

vation, sanitation, waste management, though based on a foundation of economic research, were always solution oriented and that to me, is intrinsically feminine. She connected with other women because she loved the feminine in herself and in other women. She totally got the rolling of the eyes we women do when we say, "Men!" She genuinely celebrated the success of women. She loved that the new normal was that women worked and were great mothers. She was delighted that today's young women could take for granted what our generation had to fight for. I don't recall her ever extolling "what we had to go through". She simply rejoiced in the present.

Isher knew she was leaving this world. She called me to talk about her book. It is my favourite memory, that spontaneously and now I think appropriately, sat on the carpet at her feet as she narrated her life story to me. She decided she was going to finish her autobiography, courageously pulling it together despite extreme health challenges. By gifting her book to the world, she bequeathed her strength to all those who loved her to hang on to. A woman's woman. Isher was that. Tat Ivam Asi. That was that.

The writer is a journalist

LETTERS TO THE EDITOR

BEING PRACTICAL

THIS REFERS TO the article, 'Moral is political' (IE, Oct 2). In our enthusiasm to deify Gandhi, we tend to overlook his sense of the practical while approaching politics. He had very carefully studied the negative impact of history on the Indian character and, therefore, promoted non-violence as a political cult because that was temperamentally most suited to the Indian way of thinking. His use of civil disobedience and non-cooperation showed an astute understanding that unlike other imperial powers, the British would not descend below a particular level. Gandhi most intelligently mixed his politics with ethics and morality while all the time retaining a sense of the practical.

B Shubhada, via email

HARMING INDIA

THIS REFERS TO the editorial, 'Back to foreign hand' (IE, October 2). Amendments to FCRA further chip the wings of India's battered civil society. Amnesty International's India office had to stop operations because its bank accounts were frozen. Such instances are harmful to India's international reputation.

S S Paul, Nadia

YOGI MUST ANSWER

THIS REFERS TO the article, 'In the mirror

IDEAS
ONLINE

ONLY IN THE EXPRESS

▶ **TAMNIRBHAR**
WITHOUT SHORTCUTS:
SANJIV KUMAR

▶ **ROADMAP TO MAKE**
MSMES RESILIENT,
SUSTAINABLE:
SHUBHAM GUPTA

www.indianexpress.com

of Hathras' (IE, October 2). The promise of our Constitution — equality before the law and equal protection in both life and death — failed a Dalit woman in Hathras. The free run of the courts establishes an administration-police nexus and the Yogi Adityanath government needs to answer for this. The UP Police often justifies excesses in the name of maintaining law and order, but what law was protected by violating the sanctity of undertaking the last rites of a 19-year-old in the middle of the night?

Rajiv Bookchand Jain, Zirakpur

A nibble at the Apple experience

The launch of the tech giant's online store in India is a big step that is seen as a turning point for its retail journey in the country

NIKHIL MOOKHERJEE
New Delhi, 4 October

The best place to buy Apple is Apple. That's how the Cupertino-based tech giant explained why it opened the online Apple store in India last month, 23 years after the company's first online outlet was opened in the US in 1997 and 19 years after the physical retail debut at Tysons Corner in McLean and Glendale Galleria in Southern California, US, in 2001.

The online launch is meant to be a precursor to India's first physical store coming up next year. That is when the real experience of buying Apple at Apple in India will come alive with iconic features like the Genius Bar, previewed by founder Steve Jobs almost two decades ago.

So what, really, is the big deal about one of the most valuable companies in the world making an online debut in India so late in the day? Government officials and industry executives point out that Apple has been the biggest brand, besides Walmart, engaged in talks for a very long time with India for foreign direct investment (FDI) in retail. In that sense, Apple's online launch is a symbol of success for FDI in single-brand retail, though there's no indication of how much the Silicon Valley major would invest in the country. In the absence of the multi-brand retail policy taking off and the likes of Walmart failing to set up stores despite permission for 51 per cent FDI, Apple's entry is being seen as a turning point.

A source in the know said Apple had been waiting for India to relax the mandatory 30 per cent sourcing norms that are built-in with the single-brand FDI policy. While the Manmohan Singh-led United Progressive Alliance government had allowed up to 100 per cent FDI in single brand, enabling Sweden's Ikea to commit an investment of \$10,500 crore over 10 years or so, Apple kept its India plan on hold while negotiating with the government for an easier set of guidelines on sourcing. It helped Apple that Ikea, too, was aggressively negotiating for the sourcing rules to change. Last year, as the Narendra Modi government began its second stint, the sourcing norms were relaxed further, in a move that would help usher in the biggest single-brand FDI — Apple.

What really changed and how? CEO Tim Cook's weeklong multi-city visit in 2016, including a meeting with PM Modi, was an evidence that Apple was serious about India but would set up stores on its own terms. There, on the government moved on the fast track. Against the retail policy of 30 per cent of the value of goods sold in India to be procured from the country, the government in August 2019 expanded the definition of sourcing. It allowed all procurement by any company, including for exports, to be taken into account for complying with the sourcing norms. With that, the burden of mandatory sourcing from India reduced substantially for multinationals, whether it's an Ikea or

Fruitful journey

- First Apple online store launched in US in 1997
- In May 2001, two US physical stores opened
- 38 countries have online stores
- There are more than 500 physical stores in 25 countries
- Mumbai likely to have India's first physical Apple store in 2021
- It will have a Genius Bar — a tech support station offering concierge type of service
- Besides the India online store, physical stores were launched in Singapore, China and Thailand during the pandemic
- Analysts believe Apple wants to establish India as an important manufacturing and export hub over the next few years

Apple. In another relaxation, the firms were free to meet the local sourcing requirement as an average during the first five years and thereafter annually. In addition, single-brand chains could open physical stores in the country — a step that had, so far, been taboo.

For India, the iPhone-maker is

seen as a major FDI in retail; for Apple, to be present in India the way it is in more than 25 countries across 500-plus stores, the long-term gain is significant. In fact, during the pandemic, India was among the four nations (besides Singapore, China and Thailand) where Apple had a store opening. India was the only online opening during the period, but Apple enthusiasts like to remind you that in most geographies physical retail followed a virtual debut. Its online stores are present across 38 countries and Apple likes to call itself one of the world's most experienced e-commerce companies.

As Navkendar Singh, research director (devices and ecosystem-India & South Asia), IDC, said, Apple is known for its retail stores in terms of location (they are landmarks in a city) and experience. Since a physical store in India (Mumbai) is in progress, the company can possibly bring some aspects of its experience via the online store, he said.

However, while India is an important market for Apple in the longer term, it's also noteworthy that Apple belongs to the premium and super-premium segments in a market that has 80 per cent share below the \$200 level, said the IDC analyst. Even in personal computers and wearables, Apple has a premium positioning. "To that extent, we might not see an immediate impact by the company as it enters because Apple Online has been launched..." according to Singh.

This is one of the steps being taken by the company to increase the relevance and ultimately gain volumes in the long run, he added.

According to Head of Cyber Media Research (CMR) Industry Intelligence Group Prabhu Ram, after many years of waiting, Apple's relationship with India is finally getting potentially stronger now.

"I believe the Apple Online Store is just the first in a series of nascent steps taken by Apple in India. This move comes at a time when the market conditions in India are fluid and offer an opportunity for Apple to break free," said the CMR analyst.

For Apple, customisation initiatives in local languages at its India online store, including engraving on the devices, are among the differentiating factors ahead of the festival season. The online store opening coincides with a step-up in manufacturing of Apple devices by companies like Foxconn, which encourages Pegatron in India and it will come in handy for the tech major. When asked if the anti-China steps have encouraged Apple to hasten the India journey, a source close to the development said the store openings have been in the making for years and that what's happening externally has had no bearing on the company's plans. Also, the company is clear that despite its own online store in India, its products would continue to sell on e-commerce platforms like Amazon and Flipkart as well as in other physical retail chains.



BANKER'S TRUST
TAMAL BANDYOPADHYAY

Rajnish Kumar moved into the corner room at India's largest lender on 7 October 2017 with a broom. In the next three quarters, the State Bank of India (SBI) announced losses in a row, some \$15,000 crore — unprecedented in its 215-year history.

In his 40-year career, Kumar missed a promotion only once, but that didn't come in the way of getting the top job. One quality that distinguishes Kumar from many of his peers is his no-frills approach to banking. He doesn't show off as a great visionary but knows how to clean up the bad-loan mess and move ahead with new initiatives.

When Kumar took over, SBI's deposit portfolio was \$26.23 trillion (it had a big jump in March 2017, following the merger of associate banks and Bharatiya Mahila Bank with it). By June 2020 (the quarter for which the latest data is available), it has risen to \$34.19 trillion. The credit portfolio, which was \$18.92 trillion in March 2017, has risen to \$23.86 trillion. The low-cost current and savings accounts, or CASA, as a percentage of deposits has remained around 45 per cent in the past three years but the net interest margin, or the difference between its cost of funds and the interest earned on deposits of funds, has risen from 2.43 per cent to 3.24 per cent. The savings bank deposit rate at SBI is now lower than most banks.

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What's the task ahead for his successor? The Banks Board Bureau (BBB) has recommended Managing Director Dinesh Kumar Khara for the top job but the formal announcement is not yet made even though Tuesday is Kumar's last day. That's typical of the government. The key appointments — whether it's at SBI or the central bank's deputy governor or even the Monetary Policy Committee — are not exactly its priority.

One out of every three Indian banks with the SBI Managing it is not easy job but Khara is no outsider; he can hit the ground running from day one. A Delhi School of Economics alum, Khara has a finger in every pie of the bank's business by being part of the board as a managing director for the past four years.

He has experience across most verticals of banking — retail, small and medium enterprises and corporate credit, deposit mobilisation, international banking operations and branch banking. Khara has been managing the overseas subsidiary and was instrumental in acquiring a bank in Indonesia.

He has overseen the merger of the

The task before the new SBI boss

The State Bank of India can be taken to the next level by transforming it into a marketplace to meet the financial needs of its corporate clients across the value chain



When Rajnish Kumar took over, SBI's deposit portfolio was \$26.23 trillion. By June 2020 (the quarter for which the latest data is available), it had risen to \$34.19 trillion

58 per cent retail loans.

Kumar has also made the elephant dance by going for large-scale end-to-end digitalisation — brand-ed YONO. The idea is to turn SBI from a life cycle bank to a lifestyle bank, which goes beyond meeting the credit needs of its customers. Just seven out of every 100 banking transactions at SBI now happen at branches. After acquiring 2.8 crore YONO customers in India, the bank is planning its launch overseas. The rapid digitalisation has brought down its cost to income ratio by 10 percentage points in the past three years, from 57 per cent to 47 per cent.

Finally, Kumar has been instrumental in rescuing Yes Bank Ltd. in a non-disruptive way and on his terms. SBI is set to make money from an investment in the large private banks that had been through hell.

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associate banks with SBI, sold part of its stake in UTI Mutual Fund to T Rowe Price, and moved the bank's own mutual fund business from the sixth to the top position, in terms of assets under management. He is quiet, introspective and someone who cares for others' ideas and suggestions.

If he takes the people along with him (which he always does; cares for the customers 80 per cent of SBI's new customers are in the 20-40 age group) and doesn't take his eyes off technology, his job is done. But that's keeping the bank where Kumar has placed it. To take it to the next level, the SBI needs to be transformed into a marketplace, meeting all financial needs of its corporate clients in the entire value chain. Another priority could be financing agriculture in a meaningful way. The bank has already created a vertical for this.

By embracing digitalisation in a big way, Kumar has created the ground, Khara can sow the seeds and reap the benefits by improving the efficiency of the delivery channels. This can be done by re-orienting a large part of the bank's over two lakh employees into a sales force. Smart use of data and analytics can bring down the cost to income ratio — the key to a bank's profitability. Of course, the immediate challenge for Kumar's successor is preservation of the quality of loans being made — the SBI is in safe hands. In the recent past, eight of his colleagues have left to head other banks. Insiders should thank the BBB for not setting its eye on Khara for another bank.

The writer, a consulting editor with Business Standard, is an author and senior adviser to Jans Small Finance Bank Ltd.

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To of the writer's previous columns, please log onto www.bankerstrust.in

STATSGURU



How the unemployed spend time

THE NATIONAL Statistical Office recently put out a report detailing how Indians spend their time. It also offered a split between the employed and the unemployed. Among other things, the unemployed spend significantly more time educating themselves than the employed, shows the data (see chart 1). There is also an interesting parity between the unemployed person in both the urban and rural areas. Both spend nearly the exact amount of time (62 minutes versus 59 minutes) in unpaid domestic services for members of their household. The time they spend socialising is also similar. The urban unemployed person tends to spend almost 35 extra minutes daily on learning (see chart 2).

Gender data shows some difference. Women are more likely to be doing unpaid domestic services compared to men, even if both are unemployed (see chart 3). This is true in both rural and urban settings. The average daily difference in time spent on such activities ranges from around 45 minutes to nearly two hours between unemployed men and women (see chart 4). This disproportionate domestic burden on women is significant in light of the recent rise in unemployment. The Centre for Monitoring Indian Economy data shows that unemployment peaked at around 23.5 per cent in April, as the country went through a lockdown to contain the Covid-19 pandemic. Unemployment has since come down (see chart 5), but there have been

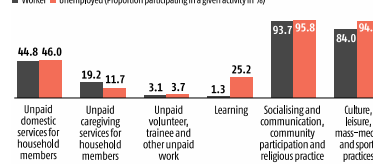
concerns of a faltering recovery amid limited private and government spending. A delayed recovery could pose risks to recent gains in employment. Also, the quality of employment has suffered after the outbreak of the pandemic.

A recent McKinsey Global Institute note shows that rising unemployment tends to affect women more. They typically have had a smaller share of jobs before the pandemic and a higher share of job losses afterwards (see chart 6). This may well suggest that the disproportionate burden of domestic work would have gotten worse for women after the pandemic. It remains to be seen whether women are able to return to the workforce as the economy recovers from the nationwide shutdown.

SACHIN P. MATHAPATTA

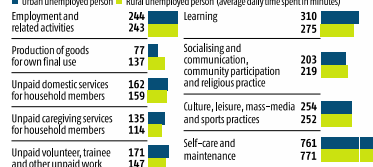
1: MORE LEARNING, SOCIALISING FOR THE UNEMPLOYED

■ Worker ■ Unemployed (Proportion participating in a given activity in %)



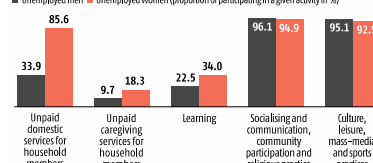
2: LITTLE DIFFERENCE BETWEEN RURAL AND URBAN UNEMPLOYED

■ Rural unemployed person ■ Urban unemployed person (average daily time spent in minutes)



3: UNEMPLOYED WOMEN DO MORE UNPAID DOMESTIC WORK

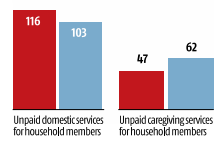
■ Unemployed men ■ Unemployed women (proportion of participating in a given activity in %)



4: ...IT'S TRUE FOR BOTH URBAN AND RURAL AREAS

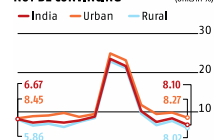
Gender difference in daily average work done (minutes)

■ RURAL ■ URBAN



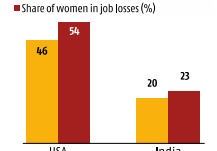
5: DROP IN UNEMPLOYMENT MAY NOT BE CONVINCING

— India — Urban — Rural (Units in %)



6: DISPROPORTIONATE SHARE IN JOB LOSSES

■ Share of women in workforce before Covid-19 ■ Share of women in job losses (%)



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