



Back to basics

The dip in GDP growth in the January-March quarter points to the need for a policy reboot

India's economy, measured by the gross domestic product, grew at 7.1% in 2016-17, the slowest pace since the National Democratic Alliance government came to office in 2014, and significantly lower than the 8% growth clocked in 2015-16 (revised data). On the face of it, this is in line with the estimates put out by the Central Statistics Office in early January and at the end of February. A top government economist has lashed out at 'messiahs of doom' who had predicted a 2% decline in growth due to the Centre's decision to demonetise ₹500 and ₹1,000 currency notes last November. But scratch deeper, and those naysayers don't appear to be too far off the mark. Growth in the final quarter of 2016-17 was just 6.1%, all of 1.8 percentage points lower than the 7.9% recorded in its first (which decelerated to 7.5% and 7% in the second and third quarters, respectively). In fact, the only reason the 7.1% estimate has held up is because growth for the previous quarters was revised upwards. Finance Minister Arun Jaitley is, however, right when he points out that growth had already been slowing down, so ascribing the entire downturn to demonetisation is not fair. Yet, whichever way one looks at it, the note ban seems to have exacerbated the problem, particularly for India's large informal economy that the poor depend on, as even the World Bank has now noted.

Consider these underlying trends. Discounting the healthy growth in GVA (gross value added) from agriculture and government spending, real GVA grew by just 3.8% in the fourth quarter, down from 8.4% in the first – indicating that private spending and investment collapsed. Private consumption grew at the slowest pace in five quarters, even as construction (with a high dependence on informal/migrant labour) and manufacturing activities dipped sharply. Industry has renewed pleas for the Reserve Bank of India to cut policy rates and shift back to an accommodative stance. While lower inflation and growth may soften the RBI's outlook, there is little that monetary policy alone can do at this juncture to revive animal spirits. Banks, the primary beneficiaries of demonetisation, are flush with funds but credit growth is at multi-decade lows – and the twin stress on banks' and their borrowers' balance sheets is spreading to other sectors such as telecom. With the direction of global headwinds remaining uncertain, growth in government spending budgeted to be lower this year compared to last year, and private investment virtually absent, these GDP numbers should serve as a reality check. Returning to the 8% growth mark is going to be a big challenge. While the government has vigorously underlined its reform achievements of the last three years, such as the Goods and Services Tax that rolls out in July, a mission-mode reforms reboot is urgently needed. And that can only begin if the problem is suitably acknowledged by policymakers.

Pharma lobby strikes

Pharmacies protest as they increasingly feel the heat of competition and regulation

Pharmacies across the country went on a one-day strike this week to highlight their concerns about the threat from e-pharmacies, and the cost that will be imposed by new regulations on the sale of medicines. The strike, called by the All India Organisation of Chemists and Druggists, had the support of well over eight lakh pharmacies. But perhaps the only thing clear from the AIOCD's demands is its intention to protect the business interests of traditional brick-and-mortar pharmacies, even if it comes at the cost of the consumer's interest. Traditional pharmacies have been knocking at the doors of the government for some time now as they face intense competition from e-pharmacies. Their profit margins and market share have faced pressure in recent years from e-pharmacies that often offer medicines at cheaper prices. While this has improved the accessibility of drugs to a wider population, the concern of traditional pharmacists too is easy to understand. The AIOCD has repeatedly accused e-pharmacies of a wide range of malpractices, including selling fake drugs and enabling self-medication. The organisation has been citing these issues to seek a ban on the sale of drugs online. At the same time, pharmacies too have been fighting the government as it tries to tighten the screws on the illegal sale of drugs.

In March this year, the Ministry of Health and Family Welfare proposed the setting up of an e-portal to track and regulate the sale of drugs across the retail chain. The aim was to prevent the sale of fake and substandard drugs, which are estimated to account for a substantial share of India's drug market. The AIOCD has opposed the proposal, arguing that smaller pharmacies lack the necessary infrastructure to meet the stringent demands of the Ministry, even as the same rules apply to e-pharmacies. With the strike, pharmacists further upped the ante by temporarily halting the supply of an essential good. This is unfortunate. The Ministry's proposal to bring both traditional and e-pharmacies under the ambit of the e-portal to track drugs is a welcome move. The risks associated with e-pharmacies, especially when it comes to the dispensation of prescription drugs without the necessary checks, cannot be taken lightly. However, the Ministry's plan on regulating e-pharmacies is a rather outdated one. It has mandated that e-pharmacies must set up a "licensed brick and mortar facility" as part of their operations to comply with the new regulations. This seems like an indirect way of delegitimising the business model of e-pharmacies, rather than a regulation that aims to improve their transparency and regulation. The huge potential for e-commerce in the retail drugs industry is enough reason to avoid such unreasonably stringent standards.

How to share intelligence

The attack on Trump for sharing information is somewhat inexplicable, and has lessons for other democracies



M.K. NARAYANAN

The United States currently gives an impression of being at war with itself. This stems from a series of charges and countercharges levied against President Donald Trump and his advisers, including that of collusion with the Russians, who are accused of meddling with the presidential election.

Several probes have already been launched in this connection. Meanwhile, the kaleidoscopic nature of the changes taking place in the top echelons of the new administration is hardly helping matters. The peremptory actions of the President, such as the dismissal of Federal Bureau of Investigation (FBI) Director James Comey, has only aggravated this situation. Almost every step taken by the new administration is leading to partisan rows. The media and intelligence agencies are far from impartial in their behaviour. Leaks from within the administration, including the White House, have also created a piquant situation. Nothing comparable to this has been seen since the Nixon years.

Unparalleled disdain

Liberal America and 'Beltway' Washington's disdain for President Trump, and the manner in which he conducts his policies, is quite unparalleled. Barack Obama, Mr. Trump's predecessor, is by contrast credited currently with many more virtues than at any time when he was in office. Forgotten is the anger against Obamacare and the Obama 'doctrine'. He is seen as a moderate, someone wedded to maintaining equilibrium in international relations and, above all, someone at peace with the American nation and its people, in marked contrast to Trumponom-

ics. What has led to a fractured society in the U.S. today carries a message for democracies everywhere. Democracy needs sensitive handling. One of the principal charges against members of the Trump team is that they maintained improper contact with Russian diplomats who, after Ukraine and Crimea, were regarded as international outcasts, at least from the point of view of the U.S. Contact with other foreign diplomats was acceptable, but not with the Russians, possibly a new and modified form of McCarthyism, but nevertheless the current norm. A point to consider, no doubt, is whether there is indeed something sinister in all this, or it is a case of the liberal media overreaching itself, with investigative and intelligence agencies such as the FBI and the Central Intelligence Agency (CIA) acting in tow. The role of Congress and the elected representatives is little in evidence.

Even after becoming President, Mr. Trump remains a 'disruptor extraordinaire'. Disruption is today acceptable in fields such as technology and business, even regarded as essential for progress, but the same cannot be said for politics and diplomacy.

The jury is still out on his overtures towards Russia, his simultaneous diplomatic forays vis-à-vis Saudi Arabia and Israel, his approach to the North Atlantic Treaty Organisation and Europe, his attitude towards China and the policy towards North Korea.

For the present, hence, the President appears to be under a virtual siege. Apart from Congress and Congressional committees, which constitute an essential element of the U.S. system of 'checks and balances', he is today confronted by teams of lawyers assigned to a kind of 'Trump Watch', journalists, and NGOs. These apart, there are the street protesters. Seldom has an elected President had to face a situation of this kind.

The most recent accusation levelled against the President, viz. that of leaking state secrets, sur-



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passes anything levelled against him previously. It was the result of a leak from within the White House, and related to a meeting that Mr. Trump had with Russian Foreign Minister Sergey Lavrov in the Oval Office on May 10. The accusation is that the President revealed certain highly classified intelligence information to Mr. Lavrov.

The impression conveyed was that the President had thereby violated the strict norms that govern dissemination of secret information. The classified intelligence is said to have been provided by a West Asian ally to the U.S. and was not to be shared with anyone. It was stated to be so sensitive that U.S. officials had not shared it widely within the U.S. government, and had not passed it on to other allies. The fear expressed was that the West Asian ally would not share any sensitive information with the U.S. in future.

The facts of the case do not quite add up to what has been put out. An element of bias does seem to have crept in. It would seem that the main grouse of Washington 'insiders' was to the meeting effected between Mr. Trump and Mr. Lavrov, which also included the Russian Ambassador Sergey Kislyak, a meeting from which the U.S. press was excluded and to which the Russian press was privy. Mr. Kislyak's presence was a kind of 'red rag' as his name had previously figured in the controversies involving Attorney General Jeff Ses-

sions and former National Security Adviser Michael Flynn.

Leaking of sensitive secret information became a useful plank to hit the President with. The secret intelligence referred to was that of advances made by the Islamic State in bomb-making, and its plans to mask the explosive devices by concealing it inside laptop computers, which could be carried on to an aircraft to launch a terrorist attack. No mention seems to have been made about the identity of the source or the mechanics of how the intelligence was obtained. Only the city from where the intelligence was obtained had been mentioned.

It is not unusual for Presidents and Prime Ministers to exchange sensitive information – including of the intelligence variety – in closed-door sessions. It is again the general practice worldwide that heads of state and government are the best judges of what they can divulge to their counterparts at such closed-door meetings.

In this case, the President was apparently expansive during his meetings with the Russian Foreign Minister. There is nothing to indicate that he went beyond 'boasting' about the intelligence 'information' in the possession of the U.S. In itself, what the President revealed was hardly a crime. It is well-known that leaders at this level are far less parsimonious in parting with intelligence than are intelligence chiefs and members of the intelligence fraternity.

The Indian experience

We in India have been victims of such inadequate provision of intelligence by friendly countries, despite having elaborate arrangements for counterterrorism cooperation, an instance in point being the failure of friendly counter-intelligence agencies in 2008 to share all the information in their possession which might have prevented the November 26, 2008 terror attacks on multiple targets in Mumbai. A welcome departure from the attitude of intelligence

chiefs is generally the approach of Presidents and Prime Ministers, who tend to take a more liberal view. Mr. Trump is perhaps guilty of breach of intelligence protocol. Intelligence protocol stipulates that prior approval should be obtained from the country providing the intelligence to share the classified information with a third country. Disclosure of 'bare-bone intelligence', short of identity and mechanics, is not an offence. That the media should have portrayed it as one of the gravest crises yet for the White House is inexplicable.

This does not absolve Mr. Trump of not being careful with the intelligence in his possession, and to which he is privy through the Presidential Daily Brief and periodic meetings with his Director of Intelligence, and the heads of intelligence and investigative agencies such as the CIA and the FBI. One such intelligence gaffe on the part of Mr. Trump was his recent disclosure to the Philippines President of the location of two nuclear submarines in the waters off the Korean Peninsula, while discussing the situation in North Korea.

Relations between President Trump and sections of society in the U.S. appear stalemated at present. The avalanche of leaks from within the government reveals an unhealthy atmosphere. Maintaining secrecy of information is important, especially where it concerns exchanges between two governments.

For democracies everywhere, there are lessons to be learnt from the present imbroglio in the U.S. The need to maintain a balance between the government, the judiciary and the legislature, the media, interest groups and various elements in society is vital. Without this, the functioning of government and institutions would become highly untenable.

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Winning back their country

Women are re-entering the public space in Kabul, but it's imperative to take empowerment to the countryside



MEHA DIXIT

During the Taliban rule, like all other working women in Afghanistan, Suraya Raisada had to quit her job. "I began giving tuitions to schoolchildren at home," said Ms. Raisada in broken Urdu, a reporter with a leading daily in Afghanistan who began working in the early 1990s during the mujahideen period. When the Taliban came into power in 1996, women were prohibited from public life, except for providing health care to other women. They were also not allowed to attend school. Further, severe restrictions were placed on the media. In 2001, when the Taliban were ousted, Ms. Raisada rejoined the daily. As I sat in her office in Kabul with three more Afghan women reporters, incomprehensible murmurs in a mélange of Dari, English and Urdu filled the room. She continued, "I

studied journalism at Kabul University in the early 1990s. My parents have always supported me and have encouraged me to work."

Another woman reporter, Shukria Kohistani, who works at the same daily, also had to leave her job during the Taliban period. She explained, "My parents and especially my father encouraged me and my sister to work." Ms. Raisada noted that in Afghanistan the communities in general, particularly outside Kabul, do not easily accept working women.

Women and journalism

In Afghanistan, the idea that women should be viewed as contributing members of society beyond motherhood was introduced during Amir Habibullah's reign (1901-1919). Mahmud Beg Tarzi, who began publishing a bimonthly newspaper called *Seraj-ul-Akhbar Afghanieh* in 1911, argued that egalitarian Islam women are not denied education. Tarzi devoted a special section in *Seraj-ul-Akhbar* to women's issues titled 'Celebrating Women of the World', edited by his wife Asma.

During King Amanullah's period



(1919-1929), the first woman's magazine, *Erschad-al-Nasswan* was published in 1922 by Queen Suraya in Kabul. During Zahir Shah's rule (1933-1973), the 1964 Constitution allowed women to vote and enter politics. The 1960s and early 1970s saw the expansion of press and women increasingly entered journalism.

After Shah's government was overthrown in a 1973 coup, severe constraints were placed on the me-

dia in the late 1970s and during the years of the Soviet invasion although women's rights were promoted. The Taliban era (1996-2001) dealt a severe blow to both media freedom and rights of women in the country.

Since 2001, women, mostly in Kabul, began to engage in public life and there was a boom in the media industry that continues to date.

It is critical to note that the reforms of the 1920s, 1960s and 1970s for women's rights in Afghanistan were mostly limited to urban women. Post-2001, noted Maliha, translator for a private news agency in Kabul, the status of Afghan women improved, but it remained limited to major cities. "Even now women in remote areas are not really aware of their rights," she said. It is imperative that the reforms reach the rural women, and in a manner that doesn't alienate them from their family and kinship networks.

Hamidullah Arefi, editor-in-chief of state-run daily *The Kabul Times*, said, "In Kabul, there are many women in the media; however, in the provinces there are just

a handful." He added that there are currently seven female journalists in his paper.

In the recent past some women have left journalism due to the hostile security situation in the country, including frequent terror attacks such as the one in Kabul on Wednesday in which 90 people were killed. Journalists in Afghanistan are often under pressure from different sides such as the Taliban, Islamic State, warlords and the state. When I asked Ms. Raisada and Ms. Kohistani about the challenges, both noted that women journalists are paid much less than their male counterparts. "For both women and men reporters, a critical challenge is difficulty in accessing information from the provinces with Taliban presence," added Ms. Raisada. Despite these challenges, both the reporters enthusiastically articulated their passion to continue as journalists and highlight the issues that confront their country.

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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.

Will Uma resign?

Political parties speak in one language while they are in the Opposition and quite another when they are in power and the Bharatiya Janata Party (BJP) is no exception ("Politics and propriety," editorial, June 1). Union Minister for Water Resources Uma Bharti is among those against whom charges have been framed by the CBI Special Court, having been accused of criminal conspiracy in the Babri Masjid demolition case. The BJP, which never missed an opportunity to demand the resignations of Ministers embroiled in controversies in the previous government and even managed to get some of them to relinquish their posts, now finds that the shoe is on the other foot. But all attempts by the Opposition to force Ms. Bharti to resign have been stonewalled as the government is strongly backing her. One can

vouchsafe that the government will not demand her resignation, proving that the high moral ground the party has been taking was a hogwash. C.V. ARAVIND, Chennai

The demolition of Babri Masjid, at the behest of Sangh leaders, was an unsavoury chapter in India's chequered sociopolitical history. It led to communal riots and sowed the seeds of discord in the society. The framing of charges against the alleged perpetrators by the CBI Court cannot be simply glossed over by the BJP as something 'political'. Leaders need to be cautious while making speeches and not try to act as rabble-rousers for the sake of gaining mileage. It is time for Uma Bharti to demit office on her own. This would not only raise her own stature in people's eyes but also go on to prove that

THE BJP is truly a 'party with a difference'.

VIJAI PANT, Hempur, Uttarakhand

Impact on farmers

Though not a blanket ban on beef consumption, the notification issued by the Centre certainly has an adverse effect on cattle markets operating in various parts of the country ("Cow slaughter and the Constitution," June 1). It seems the impact of this ban on small-scale farmers has not been well-understood. There are many farmers, especially in rural areas, who depend on cattle as a means of livelihood. Cattle farming demands considerable amount of time, money and effort. What is the incentive a farmer will have to breed cattle if it cannot be sold in the market? Who will speak up for the concerns of the rural farmers? MARIAMMA ANTONY, Bengaluru

Acting in good faith

The article "In good faith?" (June 1) raises disturbing questions about the implications of the recent conviction of three officials in the coal blocks allocation case. While corruption must be punished, there is no reason to criminalise decisions taken without the intent to cheat or facilitate a pecuniary benefit to the officials. Inefficiency cannot always be conflated with dishonesty. While each case of maladministration has to be dealt with based on the facts of the case, the CBI has been known to exhibit an adversarial mindset. Another issue that demands public scrutiny is the quality of decision-making in the government. When a bureaucrat recommends a certain course of action to a Minister, should the latter merely approve it without doing any due diligence? What checks and balances have been put in place to

prevent Ministers from being misled by dishonest officials? If a decision is proved to be mala fide at a later date, why should the bureaucrat alone be held accountable? In the case in point, the Coal portfolio was held by Prime Minister Manmohan Singh. A fallout of the convictions is that even honest bureaucrats will become more risk-averse because of a fear of being hauled up for corruption. V.N. MUKUNDARAJAN, Thiruvananthapuram

Unemployment woes

Pinarayi Vijayan, the Kerala Chief Minister, did not elaborate much on the slow industrial growth in the State and its poor employment generation ("For the BJP, the Left is its principal enemy," June 1). The unreasonably high cost of land and lack of abundant quantity suitable for industrial purposes – in striking contrast to the

situation in neighbouring States of Karnataka and Tamil Nadu – is a major roadblock. Hence, the State will have to focus on industries that are not dependent on land. Further, the State cannot think of developing medium-scale industries due to the polluting nature of some of them. Considering the population density – among the highest in the country – and the sensitive lifelines in the form of 44 rivers, it can focus only on technology-intensive fields like information technology, medicine and tourism. Another hurdle is the State's poor power generation capacity. Environment-related movements against bigger hydropower generation projects have proved to be a deterrent and the public is unlikely to support nuclear power plants to be established. K.V. ABDUL AZEEZ, Thrissur

LEFT, RIGHT, CENTRE

Are we a nation of hyper-nationalists?

Hyper-nationalism does not allow critical engagement; it shows anything critical of ruling party as anti-national



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LEFT
Ever since the Bharatiya Janata Party (BJP) presented Narendra Modi as its prime ministerial candidate, the discourse on nationalism has changed. It has become hyper. The party began by telling people through various modes of information dissemination – including social media – that the Congress had served the interests of Muslims. The Congress was a party of casteism, regionalism and Muslim appeasement, the BJP said, and promised that ‘when we come to power, we will work on a developmental model, on the lines of Gujarat,

which will be all-inclusive’. What was unstated was this: that the party will stop the ‘preferential treatment’ to Muslims as a ‘special’ category.

Rallying around the cow
After the BJP came to power, it became essential to identify an enemy that the country could relate to. So, Pakistan is the constant refrain and Muslims, who were no longer treated ‘preferentially’ by the new government, were required to ‘stand with the nation’ or else go to Pakistan. To my mind, there were three crucial elements required to stoke

the feeling of hyper-nationalism: Pakistan, Muslims and Dalits, and universities. So, while we don’t have the kind of fascist nationalism which was present in Germany, what we are witnessing is semi-fascist nationalism along religious sentiments.



critical engagement in any sphere of life. It projects anything critical of the ruling party as anti-national. It operates hand in glove with casteism and religious fundamentalism.

Hyper-nationalists think that they alone are pure and sending soap and shampoo to Dalits and Adivasis before their appointment with Chief Minister of Uttar Pradesh Yogi Adityanath is part of that nationalism.

Crushing all criticism
I am reminded of a speech from the 1960s by U.S. President John F. Kennedy where he raised this question of nationalism vis-à-vis the attacks mounted by members of the

white supremacist group Ku Klux Klan on blacks. He said America believed in the true spirit of nationalism that God created all people equal and every citizen has equal rights.

The role of protecting the rights had to be performed by the state and the media. Kennedy appealed to the American media to protect peoples’ rights. And he assured the blacks that his government would do so by all means.

However, what the BJP under Prime Minister Modi is doing is exactly the opposite. All criticism is being suppressed in praise of the leader. Dissent in universities is being crushed. The Rashtriya Swayam-sevak Sangh (RSS)’s student wing, the Akhil Bharatiya Vidyarthi Parishad (ABVP), has taken upon itself

to stamp out critical discourse.

To my mind, what the ruling combine is doing is anti-national because it strengthens divisions in society and such strengthened divisions engender more violence. The attempt to construct an ideology of hyper-nationalism around food culture is going to be disastrous. Everybody knows that it is not the Brahmins/Baniyas or the Jains who will be affected by the new law but the Dalits/Adivasis, the Other Backward Classes (OBC)s and the Muslims.

Hyper-nationalism helps to keep the nation perpetually in conflict, with everyone at war with the other. Mr. Modi should listen to what Kennedy had said decades ago.

As told to Anuradha Raman

As a new nationalistic wave sweeps India, attempts are being made to dub nationalism as ‘hyper-nationalism’



SHIV SHAKTI NATH BAKSHI is the executive editor of ‘Kamal Sandesh’, the BJP’s mouthpiece



RIGHT
A particular brand of intelligentsia, finding itself marginalised in the national discourse, is visibly uncomfortable with the massive mandate of 2014. BJP getting full majority on its own and ending a three-decade-long fractured polity was beyond their imagination. It not only questions their ability to analyse elections but raises serious doubts on their understanding of Indian society and politics. While trying to build a counter-narrative, they now derive solace in portraying nationalism as ‘hyper-nationalism’.

Some time back, similar attempts were seen in the form of ‘intolerance’ and ‘award wapsi’. The anti-national sloganeering in Jawaharlal Nehru University was first sought to be defended and then rationalised and Rohith Vemula’s case in Hyderabad Central University was propped up as an accusation against the Central government. The murder of M.M. Kalburgi and Narendra Dabholkar which took place under the Congress State governments and the Dadri incident in U.P. under Samajwadi Party rule were highlighted as indictments of the Central government. The local

law and order issues were not only sought to be catapulted to the national scene but even international opinion was mobilised.



ists and stone-pelters, meeting separatists in Kashmir, speaking against the Prime Minister in Pakistan, and taking pride in slaughtering a cow in full public view.

Indian nationalism remains an enigma for those trying to see nationalism through a fixed framework of inflexible rigidities. The problem gets further compounded when that understanding is based on the European experience of nationalism, a homogenising, masculine and an imperialistic phenomenon resulting in the formation of uniform nation states. Contrary to the European experience, Indian nationalism is not only inclusive but celebrates a unique

kind of diversity. India has been a plural society since ancient times and there is a cultural and civilisational unity. Its journey of thousands of years was impeded by several incursions. But the spirit of India has not only survived all the assaults but was strengthened by a flourishing culture of accommodation and adjustment.

To think that this process of accommodation and adjustment was one-sided would be a grave mistake; it was always a multilinear and dynamic process. It was due to this that our freedom struggle right from the war of 1857 recognised that the ban on cow slaughter was integral to the spirit of nationalism. It was included in the Directive Principles of the Constitution and

even the Congress governments in various States made laws banning cow slaughter.

Nationalism from below

As the Prime Minister continues to speak the language of hope and trust, nationalism has become an incredible phenomenon of transformation, progress and development. The nationalistic surge today emanates from the masses below to the NRIs abroad, covering vast sections of the society. It represents the aspirations, hope and trust of the people. It is time to strengthen nationalism to build a new India. Any attempt to dub it as ‘hyper-nationalism’ will only be counterproductive to its proponents and lead to their further marginalisation.

We ought to rethink our attitude towards nationalism and curb much of the enthusiasm that goes with it



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CENTRE
Nationalism has always been a seductive ideology, not just among us Indians, but for people across the world. What nationalism does best is to create a sense of “Us vs. Them” in nearly every case.

In the not-too-distant past, all this was welcome because the ‘other’ was either a foreign power or an oligarch or a dictator. In these circumstances, nationalism had a positive, and liberating, effect. But in all these cases the common consciousness it built was founded on blood, gore, war, victory, defeat,

humiliation and jubilation. Democracy is very different. It needs nationalism as a precondition, but only as a precondition. Democracy is like a butterfly that comes out of the larva of nationalism. It does not appeal, like nationalism does, to primordial ties of custom, myth, lore and tradition.

Nationalism and citizenship
Whereas nationalism creates a unity but demonises the other, citizenship sets out on the contrary principle of creating unity out of the spirit of fraternity where differences are embraced. Nurturing cit-

izenship, therefore, is very difficult and challenging principally because it goes against everything that arises spontaneously in us, such as ties of blood and tradition. It is the delicacy and fragility of citizenship which makes democracy and its attendant, fraternity, so hard to practise.



But India is no exception in this matter as countries worldwide are fighting against hyper-nationalism, and not always successfully.

The French election was a recent example of this and fortunately a democracy has been won; but there many other modern nation states, at home and abroad, that face this kind of threat all the time.

Constitutional provisions
Our Constitution, which may be faulted at several levels, has firmly laid the foundations of citizenship in our country by ordaining that all are equal; nobody is intrinsically a better citizen than any other. It,

therefore, protects minorities, opposes patriarchy as well as abolishes untouchability and caste distinctions from public life. None of these came about naturally, or from below, and it needed the combined strengths of Gandhi, Nehru, Ambedkar, Patel and others leaders at the top for these radical dreams to come true. All these measures would have been unimaginable in the era of nationalism, pure and simple.

At the same time, our Constitution has had to, on a number of occasions, make concessions to hyper-nationalism. This aspect is best seen in provisions that allow for Emergency to be declared and also to detain people without trial on charges of sedition.

It would be advisable, then, to rethink our attitude towards nationalism and curb much of the enthusiasm that goes with it. The many ethnic killings we have had over the years, the proud posturing of Shiv Sena-style ethnicism, *gau rakshaks* on the rampage and the dubious communal concessions are all expressions of nationalism.

Citizenship cannot tolerate any of these, but this would need leadership of the statesmanlike variety to deliver.

No democracy is perfect but we should nevertheless look for a compass in the storm. This is where citizenship alone can be our reliable guide.

As told to Anuradha Raman

SINGLE FILE

March towards isolationism

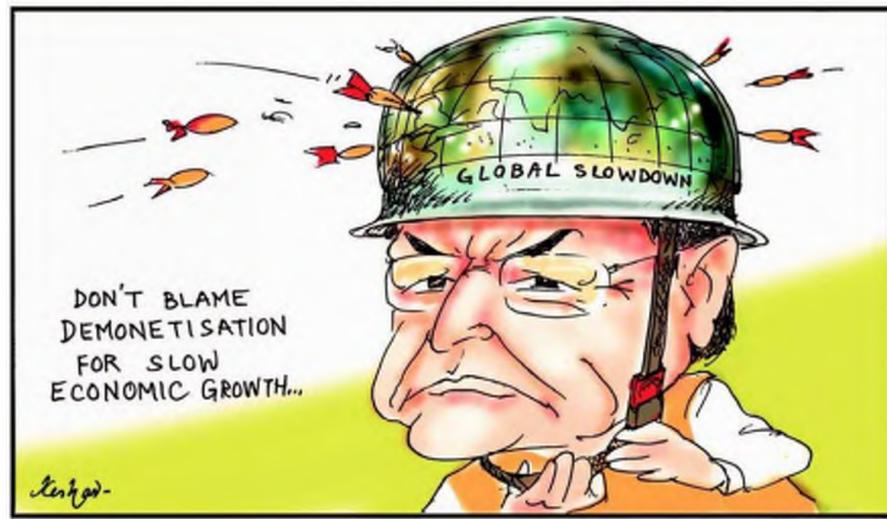
Trump’s hostile stance on key issues is changing the terms of diplomacy

GARIMELLA SUBRAMANIAM



It was a diplomatic double whammy by the U.S. last week when President Donald Trump virtually held the countries of the North Atlantic Treaty Organisation (NATO) and the Group of 7 industrialised states (G7) hostage. The President’s near-repudiation of NATO’s key principles at the Brussels meet and the Paris Climate Accord at Taormina, Italy is the clearest sign yet of the diametrically opposite pathways the U.S. and its European partners have been traversing of late. The big difference, of course, is that the U.S. under Mr. Trump insists on going it alone; while Europe now has no option but to find its own feet. The normally circumspect German Chancellor, Angela Merkel, did not conceal her utter disappointment over the deepening rift among the Western allies on her return from the summit in the Sicilian town. She even implored the constituents of her Christian Democratic Union (CDU) to remain prepared for greater global engagement, given the uncertain future that lies ahead. Notwithstanding the divisions that surface frequently in transatlantic relations, the security umbrella under NATO has been an article of faith in Europe’s post-war partnership with Washington. But Mr. Trump refused last week to reaffirm a commitment to the mutual defence clause, a reassurance his counterparts had hoped would allay their apprehensions over the extent of U.S. isolationism. However, to their dismay, he upbraided them on their supposed failure to contribute to NATO’s finances.

Washington remained equally unyielding at Taormina, both on the commitments to reduce greenhouse gas emissions and to advance global trade. A mere reference in the final G7 communiqué, to the promotion of multilateralism, was the only concession the other Western allies could extract from the U.S. President. That was enough for diplomats to put a positive spin on their otherwise fruitless efforts to prevent Mr. Trump from walking away without a categorical endorsement of the 2015 Paris Accord. As the country responsible for the world’s second-largest volume of carbon dioxide emissions, the U.S.’s refusal to cooperate risks encouraging other countries to lower their own treaty obligations. Some of Mr. Trump’s advisers sense an opportunity for Washington to renegotiate more favourable terms by remaining within the accord. Mr. Trump himself has indicated that he may pull the U.S. out of it. Meanwhile, the Earth has registered the highest temperatures on record in the past three successive years, a trend which portends the dangers of global warming. The warming of the planet by more than half-a-degree Fahrenheit between 2013 and 2016 was the largest temperature increase in a three-year time span since temperatures began getting recorded in 1880. Of the 17 hottest years on record, 16 have occurred since 2000. So far, the anti-establishment mood of recent years has largely coalesced around the opposition to immigration and globalisation in national elections. Mr. Trump’s hostile stance in the two forums last week has placed it on a wider canvas.



CONCEPTUAL
Hysteresis
ECONOMICS

Hysteresis occurs when unemployed persons are unwilling to accept lower wage rates as a means of returning to work. Wage stickiness implied by hysteresis can produce an increase in the “normal” unemployment rate, also known as the non-accelerating inflation rate of unemployment (NAIRU), which defies the notion of cyclical, or self-adjusting, unemployment. If, for example, jobs are outsourced to lower-wage economies, workers of the home economy may over time become unqualified to take on those jobs should they return or become dependent on government welfare benefits.

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Watch: fire rages on at Chennai Silks in T. Nagar
<http://bit.ly/ChennaiSilksVideo>

ACT ONE

Dealing with stressed assets

The Banking Regulation (Amendment) Ordinance is part of a comprehensive approach to the problem

KRISHNADAS RAJAGOPAL
Non-performing assets, restructured loans and written-off assets – collectively called ‘stressed assets’ – have become a major challenge to the country’s banking system. To combat it, the government promulgated the Banking Regulation (Amendment) Ordinance, 2017 on May 4.

Urgent measures
It was passed to deal with stressed assets, particularly those in consortium or multiple banking arrangements.

In its introduction, the Ministry of Law and Justice explained that “stressed assets in the banking system have reached unacceptably high levels and urgent measures are required for their resolution”.

The ordinance enables the Union government to authorise the Reserve Bank of India (RBI) to dir-

ect banking companies to resolve the issues related to specific stressed assets, by initiating insolvency resolution process wherever required.

The government has introduced two new provisions – Sections 35A and 35AB, under Section 35A of the Banking Regulation Act of 1949 through which banking companies can initiate insolvency proceedings. The RBI has also been empowered to issue other directions for resolution, and appoint or approve for appointment, authorities or committees to advise banking companies for stressed asset resolution.

Time-bound resolution
Further, the recent enactment of Insolvency and Bankruptcy Code (IBC), 2016 has opened up new possibilities for time-bound resolution of issues related to stressed assets.

The IBC was enacted to consolidate and amend the laws relating to re-organisation and insolvency of corporate persons, partnership firms and individuals in a time-bound manner for maximisation of the value of assets in order to promote entrepreneurship, availability of credit and balance of interest of stakeholders.

Facilitating recoveries
The banking ordinance is meant to firm up the IBC and is meant to join forces with the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) and Debt Recovery Acts, which have been amended to facilitate recoveries. The comprehensive approach is part of the effective implementation of various schemes through resolution or problems related to stressed assets.

FROM THE HINDU ARCHIVES

FIFTY YEARS AGO JUNE 2, 1967

Iraq warns Britain and U.S.

Iraq informed Britain to-day [June 1] that it would retaliate “most energetically” to any attack on the Egyptian coastal stronghold of Sharm El Sheikh, which controls the Tiran Strait into the Gulf of Aqaba, an Iraqi Embassy spokesman announced. The Iraqi Charge D’Affaires told the Foreign Secretary, Mr. George Brown, to-day [June 1] that Baghdad would regard any attack on Sharm El Sheikh as an act of aggression against Iraq, the spokesman said. The diplomat told Mr. Brown that an Iraqi force comprising aircraft, tanks, artillery and infantry would take part in the defence of Sharm El Sheikh and the Strait with other Arab forces, and that an extraordinary conference would group oil-producing Arab countries in Baghdad on Sunday to draft retaliatory plans for the eventuality of “Israeli aggression.”

A HUNDRED YEARS AGO JUNE 2, 1917

Punjab Muslim League’s View.

Mr. Pir Tajuddin, Bar-at-Law, Secretary of the Punjab Muslim League, has forwarded a lengthy note expressing the League’s opinion on the Public Services Commission report. “The Executive Committee of the League believes”, says the note, “that the doctrine of racial superiority openly proclaimed by the Commissioners will deepen the sense of subjection and retard the growth of the sentiment of common citizenship desired by the Commissioners and that the lot of the Indians in some of premier services of their motherland will be worse than before”. The note concludes by reiterating the demand for simultaneous examinations for Civil Service, for Police Department in India and England, recruitment of the heads of Government from those trained in public life in England and prominent Indians, recruitment of three-fourths of the Indian Education Service in India, the founding of the Technical and Scientific scholarships and the recruitment of half of the Provincial Executive Service by competition.

DATA POINT

