



## Warm in Washington

PM Modi and President Trump exceed the muted expectations for their first meeting

Ahead of Prime Minister Narendra Modi's first meeting with President Donald Trump, concern had grown about the future course of the bilateral relationship, particularly whether Mr. Trump would maintain his predecessors' commitment to its strengthening. These worries rested on Mr. Trump's re-writing the equation with Europe, reversing the American stand on China and in West Asia. They were also fuelled by his harsh words on trade tariffs, immigrants and climate change, an issue on which he specifically targeted India. Mr. Modi and Mr. Trump have put many fears to rest, their meeting marked by personal bonhomie. This was reflected in Mr. Modi's attempt to engage Mr. Trump's family, perceived to be an important power centre in the White House. He invited his daughter Ivanka Trump to an entrepreneurship summit in India. Her husband Jared Kushner was a part of the delegation-level talks. Importantly, the India-U.S. joint statement has exceeded expectations, with an emphasis on the need for Pakistan to stop attacks on India launched from its soil, and for China to forge its Belt and Road Initiative taking into account India's concerns on territorial and sovereignty issues. Equally important has been the continuity in the India-U.S. strategic partnership goals, albeit with a softening of the tone on China's actions in the South China Sea. Mentioning North Korea, West Asia and Afghanistan, the statement talks of a "growing strategic convergence" between the two countries and a shared vision on world affairs. That neither side brought up the phrase "shared values" or took questions from the media may be seen as a departure from past meetings, but it is not a divergence from the views and preferences of both leaders. It may even indicate further convergence between them.

However, while the two leaders were able to establish a common understanding of global issues, the joint statement indicates that many bilateral issues are yet to be resolved. The insertion of an entire section titled "Increasing Free and Fair Trade" is a veiled attempt at putting the Trump administration's concerns on bilateral trade on the front burner – for example, with references to "balancing the trade deficit", "protecting innovation", and "increasing market access" in areas where American industry has been most critical of Indian policy. While these bilateral issues were articulated, others were not brought up, including India's concerns on the immigration process and H1B visa curbs, and Mr. Trump's withdrawal from the Paris climate accord, which will leave India's climate change financing handicapped. It is to be hoped that these will be raised in the near future. All things considered, a good beginning appears to have been made during Mr. Modi's maiden meeting with Mr. Trump. It is now for them to tackle the more substantive bilateral issues.

## The Marawi siege

Manila will have to use military force and offer talks to stop IS advances in the Philippines

The city of Marawi in the south of the Philippines has been engulfed by a deadly, ongoing siege since late May, when government forces began to take on heavily armed militants linked to the Islamic State. Local media estimate the death toll to be above 300. Over 200,000 residents have fled what has effectively become an urban battlefield. While Philippine President Rodrigo Duterte quickly declared martial law across the island for 60 days, some say the blame rests with the political leadership for ignoring the rise of the IS, and especially Mr. Duterte's decision last year to reject a ceasefire offer from the Maute group. Now this group is on the front lines in the fight against the Philippine military in Marawi. Marawi is on Mindanao, the country's second largest island, rocked by armed insurgency for years. At the heart of the conflict is Mr. Duterte's mission to capture or kill Isnilon Hapilon, the leader of the Abu Sayyaf Islamist group who was named emir of the "Caliphate" in Southeast Asia by IS boss Abu Bakr al-Baghdadi in 2016. The situation in Marawi does not inspire confidence: rebels still control key areas, they have set up checkpoints on bridges and their snipers have occupied local minarets. When the army fired mortars or RPGs, battle-hardened militants, reportedly including foreign fighters from Indonesia and Malaysia, are responding with similar armaments. Worse still, many civilians remain in the area, complicating the calculus of any planned government assault.

While the siege of Marawi will draw Mr. Duterte's attention beyond the brutal drug war that his government has waged, its political significance has echoed throughout the region and beyond. IS jihadist publications and videos have painted Singapore as a target, with two attacks against the city-state reportedly foiled. Similarly, Malaysia faced its first IS attack last June when a grenade injured eight people at a nightclub near Kuala Lumpur. As the world's largest Muslim-majority country, Indonesia is concerned that IS members could easily traverse the poorly policed waters between itself and the southern Philippines. While the U.S. no longer has military bases in the Philippines, its military advisers and intelligence analysts have been deployed to aid the efforts of Mr. Duterte, notwithstanding his anti-American jibes. U.S. President Donald Trump may have found common cause with Mr. Duterte in fighting Islamic extremism, yet the nature of the beast is quite different in the two countries. For Mr. Duterte the priority is to bring the battle to a quick, decisive end, and if necessary, to resume negotiations with some groups that had earlier held out the promise of ending hostilities. Tackling the humanitarian crisis created by this conflict depends as much on these negotiations and on relief efforts as it does on ending the long neglect of Mindanao.

# Counting the strides

Without a religious and economic challenge, any emancipation of Pakistani women will be, at best, partial



S. AKBAR ZAIDI

No one would deny that Pakistan is a particularly misogynistic country, where patriarchal relations and attitudes discriminate heavily against women. Killings in the name of some medieval notion of 'honour' meant mainly to control women's sexuality and choices in terms of marriage, supposedly archaic 'tribal' customs of exclusion from public assembly, participation and representation, fatwas against women's deportment and behaviour, or even against their constitutional right to vote as citizens, are all frequent episodes in the life of the Pakistani woman.

Not surprisingly then, that Pakistan has been ranked very low in the Gender Gap Index, with only Yemen being worse off. These facts about the position of women in Pakistan are often related to social and cultural norms, where 'Islam' is said to blame for women's backwardness, or the fact that the Saudisation of Pakistan over the last few decades has meant that the hijab or the abaya worn in parts of Islamic West Asia by women have become the sartorial choice of many women in Pakistan. Such essentialising fits in well with the stereotypes which abound about a supposedly Talibanised Pakistan.

**Transformation despite odds**  
Yet despite such images and happenings, much has changed in the social, cultural and demographic position, and lives, of women in Pakistan over the last two decades. Despite patriarchy, institutional and state prejudices and restrictions, even something called 'culture' and 'religion', women are



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changing their condition, and redefining social sensibilities.

Two facts from the data are surprising. One, that in some key categories women perform unexpectedly better than men. And two, that the rate of change in women's improvement is faster/higher than that it is for men – that is, women are improving their situation faster than are men. Data from girls' and boys' enrolment also show that girls' enrolment at the primary school level, while still less than it is for boys, is rising faster than it is for boys. Girls enrolment at the primary school level increased by 34% between 2002-03 and 2011-12, while in the same period, it increased only 13.5% for boys. What is even more surprising is that this pattern is reinforced even for middle level education, where there has been an increase of as much of girls education by 54%, compared to that for boys by 26%. At the secondary level, again unexpectedly, girls participation has increased 53% over the decade, about the same as it has for boys.

At higher levels of education, at universities and at professional colleges too, the increase in the participation rates for boys far exceeds that for girls. A quite astonishing figure is for university education enrolment between 2003-04 and 2014-15. Boys' enrolment at univer-

sity level had increased by 258% over this decade, but for girls the increase in these ten years had been 432%! Girls were 42% of total university enrolment in 2003-04 – in 2014-15, it is estimated that there are more girls enrolled in Pakistan's universities than boys, 52% compared to 48%. In fact, by 2011-12, there were more girls enrolled in universities than boys.

### Political inclusion

In 2001 and 2005, in an earlier model of elected local government under the then President, General Pervez Musharraf, 35,000 and 25,000 women, respectively, were elected and nominated to Pakistan's third tier of government – local bodies – even from so-called remote regions, giving women a public and political status and identity for the first time ever in such large numbers.

Moreover, numerous laws aimed at protecting Pakistani women have been passed in Parliament over the last five years, perhaps most surprisingly in the supposedly conservative province of the Punjab. These include laws such as the Protection of Women Against Violence Act, laws against harassment, the provision of safe houses for women, raising the marriage age for girls, the setting up of provincial Commissions on the

Status of Women, and many more. The Benazir Income Support Programme, an unconditional cash transfer scheme to poorer women, has also helped provide some financial relief to over 5.4 million women. While there has been much justifiable criticism of many of these interventions by feminists and women's groups since they do not go far enough and are not always implementable, one cannot deny the fact that some changes have been made. The fact that clerics and large sections of the male public have protested vehemently against many of these laws, suggests that they do provide a possible opportunity to address, if not alter, some of the huge structural and attitudinal biases against Pakistani women.

Other initiatives, such as the 'Women on Wheels' (women riding scooters provided by the Punjab Government at heavily subsidised rates), women taxi drivers, women's marathons, are perhaps more symbolic and affect a small section of women, but the fact that they have been actively supported by provincial governments despite considerable male conservative opposition, are also trends which suggest some small attitudinal shifts. Feminist scholar Afiya Shehriano Zia has argued that such interventions have "challenged the gendered social order and feminised the landscape of public spaces in unexpected and secular ways".

There are other changes taking place as well, and concern the growing mobility of women to enter public spaces as employed working women, to be activists, to leave their patriarchal homes for some hours to face different types of challenges and social constraints. The electronic media and access to mobile phones and communication, has also cut across gendered and class barriers, although still highly gendered and inequitable, they allow girls and women access to means of social

engagement (even with men) which did not exist a few years ago. The emergence of women as role-models depicted on urban billboards and in social media – from cricketers, to scientists, academics, writers of fiction, mountaineers, pilots even of fighter jets, an Oscar-winning film-maker, to a young girl receiving the Nobel Peace Prize – help in breaking the older stereotypes of women being relegated to domesticity.

### Absence of left politics

While there is much to celebrate in how women are moving into public spaces and confronting and overcoming the huge male conservative backlash, these are as yet unfinished and hard fought struggles. Many of these developments have taken place due to the process of unstoppable modernity, bringing in its own new and different contradictions, while some, such as the secular struggle for fair compensation by lady health workers, have relied on collective action, a rare phenomenon in our age. Agentive forces have played a critical role in key battles. However, with the middle classes now dominating Pakistan's political and social spaces, their focus and agenda remains issues which matter to such groups – governance, corruption, religious revivalism, electoral reform. And with the absence of any sort of left politics in Pakistan, must any meaningful and substantive gender equality be left to inevitable capitalist development? Clearly, without challenging the consequences of a despotic capitalism and religiously-construed social and gendered identity, any sort of emancipation for working people, and for women in particular, will remain, at best, partial.

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# Pieces of a complex solution

The success of the bankruptcy law will depend on the jurisprudence that develops under the IBC



RESHMI KHURANA

Over the last year, barely a week has gone by without a regulator announcing new measures to help resolve India's problem of large and mounting non-performing loans/assets, or NPAs. These announcements are usually accompanied by endorsements from the government, as determined reminders that the resolution of the NPA problem is on the top of the government's mind. Then why does India's war on NPAs seem intractable? And why have Indian regulators not yet resolved a case that can be showcased as an example of what the recent regulatory measures can achieve?

The latest announcement came from the Securities and Exchange Board of India which said that companies that are pursuing acquisitions as part of resolution plans approved under the Insolvency and Bankruptcy Code, 2016 (IBC) would be exempted from open offer obligations typically applied under Indian takeover regulations. This came on the heels of another announcement earlier this month by the Reserve Bank of India (RBI), stating its decision to focus on 12

stressed accounts, totalling about 25% of the current gross NPAs and referring them to the IBC immediately. Prior to that, the government had cleared an ordinance to amend the Banking Regulation Act, giving the RBI more powers to direct banks to resolve bad loans.

### A tough task

These measures, particularly the RBI's direct involvement in referring cases to the IBC, do well to add attention and urgency to the NPA resolution efforts. However, they do not address some of the underlying characteristics of the Indian economy and the banking sector that make NPA resolution a Sisyphean task in India.

Take, for example, the fact that Indian banks need to accept significant haircuts to resolve the NPA cases as several of them are in sectors where market conditions are in a slump, such as steel, power and textiles. In this environment, it is difficult for banks to find suitable buyers of distressed assets at desired valuations.

The government will require immense political will to allow bankers to take the necessary haircuts (which will impact profitability negatively), without bankers fearing that their decisions will be questioned or investigated in the future.

The tight resolution timelines envisaged under the IBC cannot be achieved if bankers do not have the



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commercial flexibility and the autonomy to sell distressed assets.

### Promoters can be a hurdle

Another issue not addressed by the recent regulatory changes is what role promoters play in delaying NPA resolution. The majority of businesses in India remain under the control of their founding promoters. A quick glance at the 12 cases mentioned earlier that have been selected for resolution by the RBI confirms that this rings true for these cases as well. In India, business continuity and turnaround of distressed assets require the ongoing involvement of promoters, which makes them a key stakeholder in any NPA resolution. Unlike more developed markets, in India, bankers cannot make significant management changes in distressed companies as promoters closely control key aspects of a business such as relationships with suppliers, customers and regulat-

ors. It becomes critical that promoters should agree to and be involved in any resolution process. However, the RBI does not regulate promoters and other shareholders, and hence cannot force resolutions on to them. Promoters understand this conundrum and have used it to their advantage in the past.

### How ready is the framework?

Then there is the question of whether the institutional framework within which the NPAs will have to be resolved is ready to handle this complex task. This framework includes the National Company Law Tribunal (NCLT), the adjudicating authority for corporate insolvency cases under Section 60 of the IBC. It also refers to the network of 'insolvency professionals' (IPs), a special class of professionals, who will be appointed by the NCLT and in charge of managing the debtor company, whilst being accountable to the committee of creditors and the NCLT. The severe capacity constraints of the NCLT in handling the present and past backlog of cases is well recognised. It is also unclear how long it will take the NCLT judges to ramp up their understanding of the complex bankruptcy environment to allow them to handle the cases in an expedient and fair way. Regarding IPs, it is critical for the Insolvency and Bankruptcy Board of India to quickly develop a robust way to select the most qualified IPs. Apart

from their technical capabilities, it will be crucial to ensure that the IPs are truly independent and do not allow promoters or other key stakeholders to manipulate the resolution process in any unfair manner. India has a mixed track record of regulating professional services, and the quality and independence of the IPs is critical to the successful implementation of the IBA.

The various regulatory changes implemented over the last few months are steps, albeit small, in the right direction. However, the success of the bankruptcy law in India will depend on the jurisprudence that develops under the IBC over the next few months. We have to wait and watch how the various players, including bankers, promoters, the government, IPs, auditors, lawyers, valuers and liquidators, behave in the next few cases. The hope is that institutional capacity will strengthen; there will be greater alignment in the interests of the promoters, creditors and buyers of distressed assets; and, finally, the government and banks will show a strong political will to settle a few cases quickly and transparently. Only then can the value of the distressed assets be maximised and capital and other productive resources get redeployed efficiently.

Reshmi Khurana is Managing Director and Head, South Asia, for Kroll, a risk consulting firm. The views expressed are personal

## 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.

### Paying the price

It should be said that Justice P.N. Bhagwati's legacy is simply one of the many by-products of Indira Gandhi's opportunistic ideological onslaughts, which culminated in the imposition of Emergency ("A controversial inheritance", June 27). India is still paying dearly and heavily for her abject authoritarian and undemocratic acts. She mercilessly ran roughshod over the roots of democratic principles and practices for her personal gain, showing an "I am the state" attitude. Before we revisit Justice Bhagwati's legacy, we must attend to Indira Gandhi's troubling legacy. A huge population of India is below 35 and has no recollection of the Emergency and its events. They must be honestly told all about it. C.G. KURIAKOSE, Kothamangalam, Kerala

### Sinking by graft

It is unfortunate that Tamil Nadu, once a leading State in India on many fronts, now finds prominence in the news for all the wrong reasons (Exclusive report - "I-T raid unearths huge bribes paid for gutkha sale in Tamil Nadu", June 27). The scandals and money trails related to bribery and corruption appear to have trickled down into a network involving the political class, the bureaucracy and unscrupulous elements with commercial interests. Though all arms of the media are doing painstaking investigation, this scam is bound to be buried while public anger slowly fizzles out. Unfortunately, one doesn't have hope either with the tortuous legal procedures and long-winded justice delivery system. R. KRISHNAMACHARY, Chennai

### Qatar isolated

The act by Saudi Arabia, Egypt, Bahrain and the U.A.E. to sever economic and diplomatic ties with Qatar for a number of reasons needs to be looked at objectively (Editorial - "Mending the rift", June 27). One is sure that Saudi Arabia and its friends cannot stay away from Qatar for long. The honey of Qatar's prospering economy is too lucrative to be ignored. Also, Saudi Arabia gets much of its clout from the tiny country on account of it being a large military base. The anti-Qatar alliance also has its own backyard to clean first before implicating Qatar. Breaking up with Qatar questions their own credibility. But why was such a drastic measure undertaken in the first place? Was it a move by the Saudis to manufacture a problem in the wake of declining oil prices or was it a backdoor move by the U.S.

to step up defence sales? By pitting each of these nations against the other, which in turn could affect Central Asia including Iran, the biggest gainer could be the U.S. which could only be waiting to unroll its 'Right to Protect' model on the lines of the Iraq fiasco. SHREYANSH JAIN, Chandigarh

### Whither merit

It is shocking that the Tamil Nadu government should pass an order reserving 85% of seats in medical colleges for State Board students though they would be chosen on the basis of the NEET merit list. This amounts to punishing CBSE students; it is grossly discriminatory and robs them of a well-earned seat. A quick calculation will show that there is a strong possibility of, for example, a 2,300th ranked State Board student getting into medical college while a 200th

ranked CBSE student could be left by the wayside. This is violative of Articles 14 and 15 of the Constitution. Many hope the order will be overturned. S. PUSHPAVANAM, Tiruchi

### 'Darshan' at Tirupati

The report, "TTD to pay compensation as 'assaulted pilgrim dies'" (June 27), leaves one at a loss for words. A few years ago I was witness to an elderly gentleman ahead of me in a queue being pushed around by the security personnel just when he was about to have a 'darshan' after waiting for hours. His traumatised expression and his pleading eyes fixed on the cruel faces of those who troubled him still disturb me. The Tirumala Tirupati Devasthanams needs to think about imparting a more humane touch to the

way it regulates darshans. T.V. SREKUMAR, Pudukcherry

### Out for obstruction

England's Jason Roy given out 'Obstructing the field', invoking Law 37, in the match against South Africa is only the eighth of its kind in international cricket. Len Hutton, Mohinder Amarnath, Rameez Raja, Inzamam-ul-Haq, Mohammad Hafiz, Anwar Ali and Ben Stokes are the others who have got out this way. While Hutton was dismissed so in a Test match and Roy in a T20 International, the other six have been given out in ODIs. The other rare mode of getting out 'Timed out' (Law 31) – if a batsman fails to take guard within three minutes – has not been used until now in cricket. A.V. NARAYANAN, Tiruchi

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THE WEDNESDAY INTERVIEW — SITARAM YECHURY

# 'The presidential election is a political contest'

The CPI(M) general secretary says the Opposition cannot accept a presidential candidate put up by the RSS-BJP combine

SMITA GUPTA

*Sitaram Yechury, the flamboyant 64-year-old general secretary of the Communist Party of India (Marxist), has an easy manner that has won him friends across party lines, playing a coalition-building role akin to that played in the 80s and 90s by Harkishan Singh Surjeet, a figure he reveres. At the CPI(M) headquarters, Mr. Yechury never smokes in the general secretary's office but steps out to do so – out of deference to Surjeet, the first occupant of the room. In a wide-ranging interview, he speaks on, among other things, the state of the Left and the nation, the forthcoming presidential election and his disappointment with Bihar Chief Minister Nitish Kumar choosing to back the BJP's candidate. Excerpts:*

**The rise of the Right has seen a collapse of the Left, democratic and socialist forces in India. Why is there no effective counter to the BJP?**

■ A right-ward shift in politics globally always happens when there is an intense crisis of capitalism. In India today, the discontent among the people is growing because of neoliberal reforms. Simultaneously, a process of depoliticisation among the youth is taking place. Neoliberal reforms promote individual careerism. Such depoliticisation only favours a shift to the Right.

**But surely the growing inequalities provide very fertile ground for the left?**

■ The objective situation is there for the advance of the Left. But, in addition to the things we discussed, the social composition of our country also stops what we are seeking... Hindutva is disrupting this struggle for unity through its ideological and organisational work; casteism is dividing people. The advance of the Left would only be possible by uniting all these sections who are suffering because of economic reforms, growing poverty, unemployment, decline in living standards. This unity is constantly being disrupted by communalism – to a much larger extent – and by caste-based political mobilisation.

**Do you think that the Indian Left failed to**

**understand the nature of Indian society which is caste-based?**

■ It's not that the Indian Left did not understand it...

**Or did not address it...**

■ Capitalism is still growing in India and classes are still being formed in a society already divided by caste stratification. The caste-class overlap is the Indian reality. What follows from this is that the advance of the revolutionary Left has to be on both economic issues and social oppression.

That is the course correction we have been trying to do for the last 20 years. At our last party congress, we did it emphatically: now, the Left movement is much more proactive on issues of social oppression. For the last year and a half, for the first time, there have been slogans like 'Jai Bhim, Lal Salaam'.

**How much has the Janata Dal (United)'s exit from the 17-party grouping damaged the image of Opposition unity?**

■ It has definitely damaged the image of Opposition unity but it was not wholly unexpected. One of the earliest persons who talked about a united opposition to the BJP in the presidential elections was the Bihar Chief Minister [Nitish Kumar].

The earliest exchanges took place between us, and it's only on that basis that the Congress president got in-

involved. Personally, we discussed the matter many times, the last occasion being when we attended Karunanidhi's birthday in Chennai. We had a very detailed discussion and, subsequently, he called me before the BJP announced its candidate to say that we should move on the basis of the discussion in Chennai.

**So what made him change his mind?**

■ He says it was the candidate...

**But he could have waited till the Opposition meeting on June 22 and stated his case there...**

■ I wish he'd done that. The candidate in a presidential election is not the factor on which a decision on whether to contest takes place. Except for one occasion in the aftermath of the upsurge against Emergency, when Neelam Sanjeeva Reddy became President, never was the President elected without a contest. It's not the individual merits of candidates; it is the politics of who is putting up whom. The last three years have seen a brazen pushing of the Hindutva agenda, the complete undermining of our Constitution and an open attack by private armies of the RSS-BJP against the Dalits and the minorities.

In such an atmosphere, we find it impossible to accept a candidate put up by such elements, irrespective of the candidate's merit. When someone like A.P.J. Abdul Kalam was fielded, we had nothing against him, but we fielded Captain Lakshmi Sahgal because Abdul Kalam was fielded by the then BJP-led NDA government. It is a political contest.

**At the recent iftar party hosted by Lalu Prasad, Nitish Kumar lambasted him publicly. What do you read in that outburst?**



SHIV KUMAR PUSHPAKAR

■ Nitish Kumar was being considered for the 2019 elections as the potential candidate to lead the non-Congress Opposition. Now there's a question mark on that, it is almost closed. If the Mahagathbandhan in Bihar, on the basis of which he was arguing there should be one across the country... if that is going to be broken by this, he will have no option but to take the BJP's support in Bihar. It's very unfortunate.

**What was the trigger? Bihar 2015 was like a beacon for the Opposition...**

■ Only he can answer that.

**The CPI(M) has always talked of equidistance between the Congress and the BJP. But now...**

■ At the last CPI(M) congress, we said the main thrust of the CPI(M) is against the communal ideology of this government and the RSS blueprint of converting our secular, democratic republic into their idea of a 'Hindu

**○ Nitish Kumar was being considered for the 2019 elections as the potential candidate to lead the non-Congress Opposition. Now there's a question mark on that**

Rashtra'. They are also implementing these neoliberal reforms with a greater aggressiveness that is widening the economic inequalities much faster than what the Congress did. At the same time, there is no question of any electoral alliance with the Congress.

**The real opposition to the government is coming from social movements – whether of Dalits or farmers. Why are mainstream political parties not so effective?**

■ The peasant movement sustaining unity and fighting against the betrayal in Maharashtra has been our Kisan Sabha. Our Kisan Sabha

leader is the convenor of the Joint Action Committee.

The coalition that was built up by our Kisan Sabha is called the Bhoomi Adhikar Andolan... the NAPM [National Alliance of People's Movements], the social movements and the NGOs and our Kisan Sabha are all working together. They had a huge *padayatra* (march) across the country. In the preparation for all the *kisan* movements, of reaching out to the people, what is happening in Madhya Pradesh, Tamil Nadu... the Left organisations are a very important element of all this.

**The Left has not taken credit...**

■ These movements are not for the sake of projecting a political party. They should bring in larger mobilisation of the people into struggles because, in the final analysis, there has to be an alternative, political narrative to the current Modi narrative. That alternate narrative can come only through popular

people's movements... carrying the red flag, my taking out a *padayatra* and saying that the CPI(M) is intervening can't be effective unless we bring all those organisations together.

That's what we are doing on the Dalit issue, too: earlier, when did you see the general secretaries of the Communist parties sharing a platform with Prakash Ambedkar, Paul Diwakar, Bezwada Wilson and Jignesh Mewani, along with Rohith Vemula's mother? This is happening now in all major State capitals. The Left is the main catalyst in building this larger coalition.

**So the Opposition unity you are talking of falls short of electoral alliances?**

■ That we will see in 2019 – how it will work out. In India various things have happened in the past... There was a time when we had National Front-Left Front Opposition unity... There is no question of any electoral alliance with the Congress, but the main focus is anti-BJP.

**The Left has shrunk in recent years: You are losing workers not just to the CPI as you did recently in Kerala, but to the Trinamool Congress (TMC) and the BJP elsewhere.**

■ To understand West Bengal, you have to go beyond the superficial statistics: at the ground level, there is a degree of politics of terror and violence that is pervasive. A lot of the unions for sheer survival find it impossible to continue to oppose the TMC.

**But that's exactly what the Left used to be accused of.**

■ If the CPI(M) had done that, then the Trinamool Congress would not be in government today.

**What about the BJP factor? In the Kanthi Dakshin bypoll earlier this year you came third after the Trinamool and the BJP.**

■ The capacity of the Trinamool to resist the BJP in the State is undermined by the BJP's carrot-and-stick policy with the Trinamool. Whenever they want to tighten the screws, one more of their Ministers is arrested, Narada, Sarada, all these scams... More than that, what worries us in the Left is that the politics being played by Mamata Banerjee in trying to appease Muslim fundamentalism is creating a backlash of Hindu fundamentalist consolidation.

That is exactly what happened in this election. There was a sharpened polarisation that squeezed the Left out. The BJP and the TMC feed on each other... communal polarisation in Bengal is going to be a very serious issue not just for Bengal, but for the country as a whole.

**What did you learn from the generation before yours – E.M.S. Namboodiripad, Harkishan Singh Surjeet, Jyoti Basu?**

■ Once BTR (B.T. Ranadive) told me jokingly, "Sitaram, unfortunately, you are born in a generation which will not have the opportunity to spend long years in jail. Only then can you do proper work and write. Look at Gandhi, Nehru – they all wrote their major works in jail. But real politics will keep you so busy that you won't have that period of study and reflection!" What we learnt from them is to think on your feet, keeping your head on your shoulders and your ear to the ground... See, we were one day late, and we lost Nitish.

For the full interview, please visit our website [www.thehindu.com](http://www.thehindu.com)

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## A meek reform

Piecemeal reforms like 'Vision 2030' will not save Saudi Arabia

PRASHANTH PERUMAL



The ascent of Saudi Arabia's 31-year-old Crown Prince Mohammed bin Salman has raised hopes of radical reform. Last year, the prince vowed to roll back government and unleash market forces. But that's easier said than done, given the size of the Saudi state.

The Saudi government has typically extracted about 80-90% of its revenues from oil, but falling oil prices have forced a search for other sources of revenue. One of them is the plan to tax foreign residents who constitute well over half the economy's total workforce. About 70% of Saudi nationals work in the unproductive public sector, while 9 out of 10 foreign workers are in the productive private sector. Yet, jobs in the public sector pay about 70% more than those in the private sector. This is because public sector jobs exist mostly for the Kingdom to channel oil revenues to Saudis.

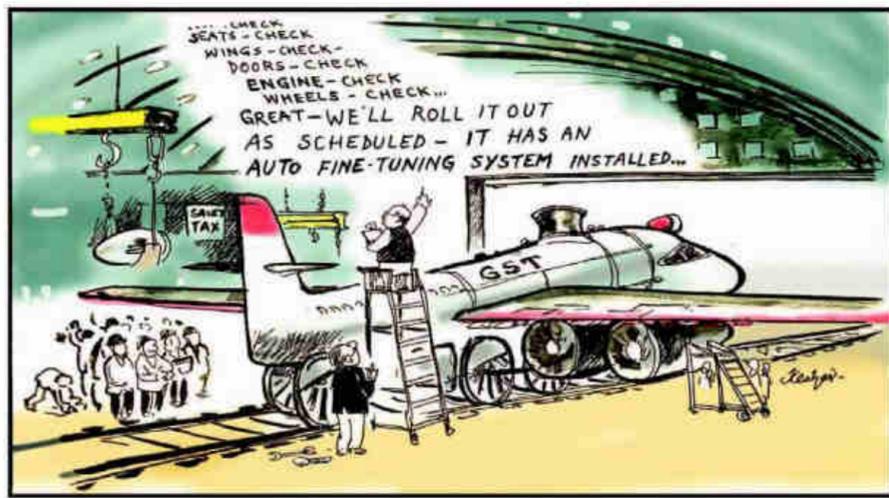
**Diversification of economy**

'Vision 2030' shows few signs of reforming this perverse model. As oil revenues have dried up, a \$2 trillion public investment fund is the new hope to sustain welfare spending. Even by 2030, the government is expected to contribute about 40% of total national spending. The prince wants to diversify the economy from oil and promote sectors in which, he thinks, Saudi Arabia possesses a "comparative advantage". But if the price of oil were to rise again, where would the Kingdom's comparative advantage lie?

These are decisions best left to markets, under the right institutions. Saudi Arabia's institutions, though, are abysmal. The World Bank ranks it 105th in the world (in 2017) for enforcing contracts as "creditors are unlikely to recover their money through a formal legal process".

The larger agenda of the reform plan is the development of a private, non-oil economy that can create 4,50,000 jobs for Saudi nationals by 2020. If that doesn't happen, the plan makes space for labour quotas compelling private companies to hire Saudi nationals over foreigners. This suggests that 'Vision 2030' envisions a protectionist, state-led economy. To bring about serious change though, the prince should recognise that dependence on oil is not necessarily a curse. Chile, Norway, Botswana and Canada are resource-rich economies that have prospered using their resources. They are also market economies that respect property rights, which has allowed them to quickly overcome economic shocks.

Oil will likely remain Saudi Arabia's main asset, so the focus should be on making its use more efficient by ending state control. Removing market barriers and building reliable institutions will also help. The policy of setting job quotas in the private sector for Saudis must go. Booms and busts, common in resource-rich economies, need to be accepted as part of life. A free labour market, along with a free private sector, will help the economy become nimble and might even lead to a diverse Saudi economy.



CONCEPTUAL

## Import substitution

ECONOMICS

The policy of encouraging domestic production by raising barriers against the import of goods from foreign economies. It is usually recommended by some economists as a way to encourage self-sufficiency, and also to aid the development of local industries. It was most popular in Latin America in the 20th century, and India too adopted it prior to the liberalisation of its economy in 1991. Critics have argued that protectionist measures like import substitution make consumers poorer in the long run, by preventing them from enjoying the benefits of free trade. Also, given the restrictions imposed on foreign trade, it can lead to bureaucratic corruption.

MORE ON THE WEB

Top 10 takeaways from Modi's U.S. visit <http://bit.ly/ModiInUSA>

NOTEBOOK

## Soldiers on a literacy mission

Getting to know more about the Bhim Army's schools

MOHAMMAD ALI

Reporting on the Bhim Army is tricky. Winning the trust of the rank and file of the organisation of mostly Dalit youngsters is crucial.

When I approached Lokendra, a local member of the group, early this month, for a possible write-up, he was surprised.

After a quick check of my credentials as a reporter, he met me on the outskirts of Saharanpur, before taking me to the interiors, where he introduced me to his seniors.

**Demonised by media**

On our way to Buddhakera Pundir village, he told me why he exercised caution before meeting me. The Hindi media had declared them "Naxals" and "a bunch of violent thugs" without any evidence, he told me.

"Hindi newspapers have two editions, one each for Saharanpur rural and urban. But you won't

find even a single detailed report which talks about what we do... The caste clashes in Saharanpur became an occasion for the media and the ruling establishment to brand us as Naxals and possibly ban us," Satish Gautam, who takes care of rural Saharanpur for the group, pointed out to me as he showed the Nishulk Paathshalas (free schools) run by the organisation.

The first such school was started by Chandrashekhar Azad and his friend Vinay in July 2015, immediately after they finished college.

Funded initially by small financial contributions from Dalits, it soon became the biggest initiative in western Uttar Pradesh as community members in more than 200 villages in Saharanpur came forward to offer assistance.

As I talked to Dalit kids in village after village, it turned out that Bhim Army has only grown after

being accused of organising violent protests.

"We just wanted to protest peacefully on May 9 after Dalit households were burnt in Shabbipur. The police did not allow us. That led to scattered incidents where police vehicles were burnt. No member of the Bhim Army attacked any other person," Shivam, a young Dalit man, told me.

**Agitate and organise**

Demonisation by the media and the local administration has led to most Dalits in Saharanpur either coming in support of the group or becoming members.

"Babasaheb Ambedkar said, first you have to educate yourself, then get organised, and then struggle for your rights. That is what we are doing... It won't stop at any cost, even when the media continues demonising us and the BJP government keeps troubling us," says one of them.

FROM The Hindu. ARCHIVES

FIFTY YEARS AGO JUNE 28, 1967

## Anti-Chinese riots rock Rangoon

Shots were fired when Burmese demonstrators attacked the gates of the Chinese Embassy here [Rangoon] last night [June 26] at the height of anti-Chinese rioting. Six shots were fired, and demonstrators said they came from the Embassy, but they did not know who fired them. No one was reported hurt by the shooting, but 17 people, six of them Chinese, were taken to hospital after violence elsewhere in the city. The riot began outside a Chinese school and spread to the Embassy and other sections of the city where crowds burned three buildings and 13 cars and destroyed another 28 vehicles. About 200 demonstrators attacked the Embassy gates and tore down a Chinese emblem. Authorities sealed off the China Town section of the city and police toured the streets dispersing groups of people standing at street corners.

A HUNDRED YEARS AGO JUNE 28, 1917

## Madras Protest Meeting.

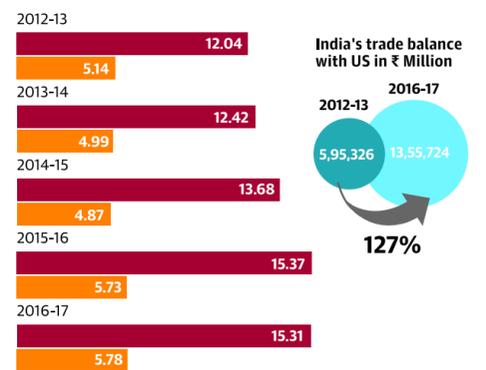
Inspector S.T. Rhenius Pillay of the B. Division applied to His Worship for the issue of summons [on June 27] against Mr. C.S. Govindaraja Mudaliar, High Court Vakil and Secretary, Gokhale Hall, under Section 76 of Act III of 1888 for allowing more than 1,000 persons into the Gokhale Hall at the protest meeting held on 21st instant contrary to the provisions of the license granted to him as Secretary. His worship granted issue of summons, made returnable on the 4th proximo. Section 76 of the City Police Act referred to runs as follows:—"For any breach of any of the conditions of a license granted under this Act the offender shall be liable on conviction to fine not exceeding one hundred rupees, and such fine may be recovered from the person licensed notwithstanding that such breach may have been owing to the default or carelessness of his servant or agent in charge of the shop or place."

DATA POINT

## Exporting more than before

India's exports to the U.S. (as a proportion of overall exports) have risen in the last five years while the import proportion has remained nearly the same. This has resulted in an increase in the trade surplus

■ EXPORTS TO THE U.S. AS % OF TOTAL ■ IMPORTS FROM THE U.S. AS % OF TOTAL



SOURCE: CMIE ECONOMIC OUTLOOK