

11 EXPLAINED



SOCIAL INTELLIGENCE

Soon Monday will be over, friends. And then it shall continue by other means.

NEIN, nom de plume of Eric Jarosinski, an American Germanist, scholar and humorist. Jarosinski, who has 156,000 followers on Twitter, also writes a weekly column in the leading German weekly, Die Zeit.

LIU XIAOBO, 1955-2017

'I have no enemies, no hatred'



Liu Xia, wife of Liu Xiaobo, with a photo of the couple at her home in Beijing in December 2012. AP Archive

LIU XIAOBO, China's most prominent political dissident, died of cancer under guard on July 13. He was serving an 11-year prison sentence handed to him as punishment for his long and fearless battle against authoritarianism, and for championing democracy in China. Liu Xia, the widow of Liu Xiaobo, and the great love of his life, has been held under house arrest without charge since 2010.

Liu spent nearly 13 of his last 28 years in prison, serving four separate terms. In 1989, he kept vigil at Tiananmen Square, and was put in jail that June for "spreading messages to instigate counter-revolutionary behaviour". In May 1995, he was jailed for criticising the government's crushing of the students protest and again, the following year, for disturbing the social order. In December 2009, he was convicted of "inciting subversion" and sentenced to 11 years in prison.

In 2010, he was awarded the Nobel Peace Prize, and was represented at the ceremony by an empty chair. After his death was announced, Berit Reiss-Andersen, the chairwoman of the Norwegian Nobel Committee, said Liu "was truly a prisoner of conscience, and he paid the highest possible price for his relentless struggle."

...We stand today as the only country among the major nations that remains mired in authoritarian politics... This must change, truly it must. The democratisation of Chinese politics can be put off no longer.

FROM CHARTER 08 manifesto, which Liu inspired. He was arrested in December 2008 and, on December 25, 2009, sentenced to 11 years in prison for "inciting subversion of state power".

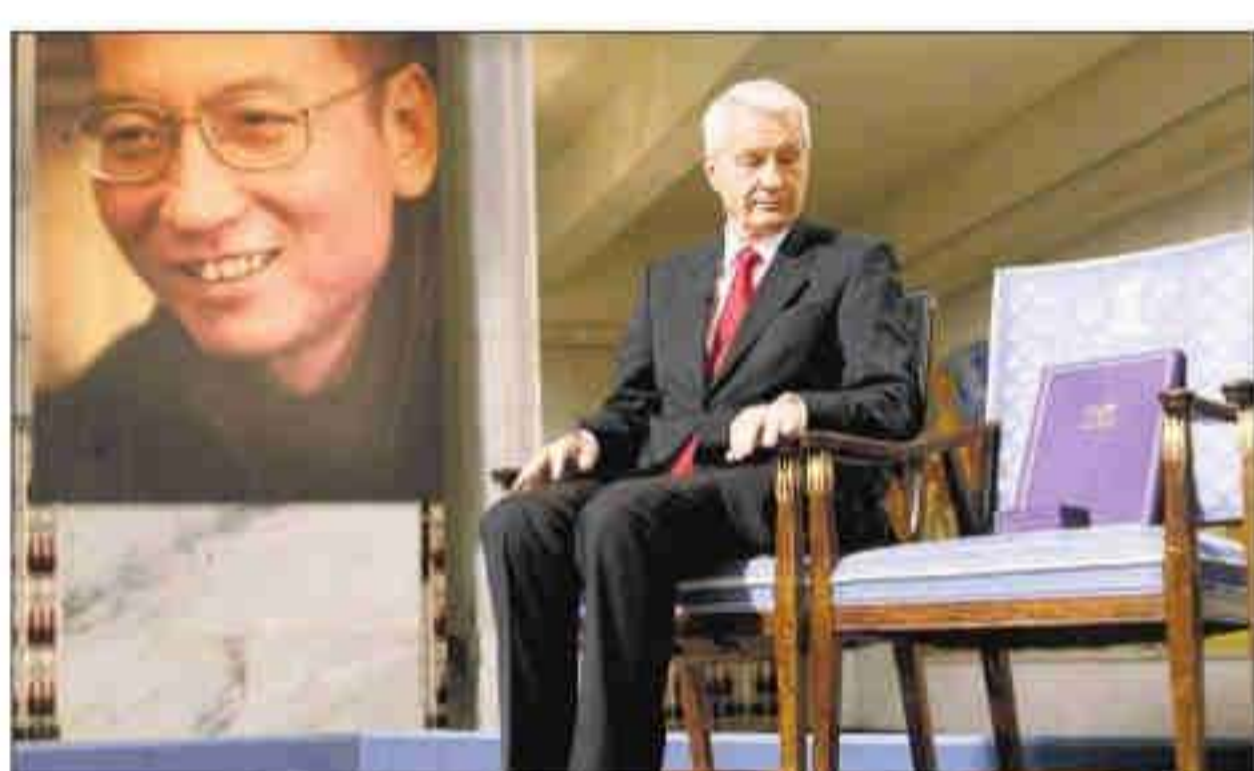
We advocate the spread of democracy in China through peaceful means, and we oppose violence in any form. At the same time, we are unafraid of violence. Our aim is to show through peaceful means how the iron resolve of Chinese people who want democracy will in the end demolish an undemocratic order that maintains itself with bayonets and lies.

ON JUNE 2, 1989, TWO DAYS BEFORE THE CHINESE MILITARY CRUSHED THE DEMONSTRATIONS IN TIANANMEN SQUARE

...The Anti-Rightist Campaign wrongly labelled more than 500,000 people as rightists; the Great Leap Forward caused the unnatural deaths of as many as 10 million people; the Cultural Revolution created a national catastrophe. June 4th (1989) was an act of murder during which many people died, and many were thrown into jail... The long-term objective of the values declared and political reform proposals raised in Charter 08 is the establishment of a free and democratic federal republic...

That bloody dawn in 1989... showed me how shallow and self-centred I still was, taught me to recognise the warmth and the inner strength of love, and gave me new appreciation of what is most important in life. I knew from that time on I would forever be living with the guilt of a survivor and in awe of the souls of the dead.

FROM "Using Truth to Undermine a System of Lies", 2003



Nobel Committee chairman Thorbjørn Jagland and the chair on which Liu Xiaobo's Nobel Peace Prize medal was kept on December 10, 2010. Reuters Archive

Twenty years have passed, but the ghosts of June Fourth have not yet been laid to rest... I... lost the right to speak publicly in my own country and could only speak through the foreign media... I was subjected to year-round monitoring, kept under residential surveillance (May 1995 to January 1996) and sent to Reeducation-Through-Labour (October 1996 to October 1999). And now I have been once again shoved into the dock by the enemy mentality of the regime. But I still want to say to this regime, which is depriving me of my freedom, that I stand by the convictions I expressed in my June Second Hunger Strike Declaration twenty years ago — I have no enemies and no hatred. None of the police who monitored, arrested, and interrogated me, none of the prosecutors who indicted

me, and none of the judges who judged me are my enemies. Although there is no way I can accept your monitoring, arrests, indictments, and verdicts, I respect your professions and your integrity...

Freedom of expression is the foundation of human rights, the source of humanity, and the mother of truth. To strangle freedom of speech is to trample on human rights, stifle humanity, and suppress truth...

DECEMBER 23, 2009, during his trial. This statement was read out as his Nobel Lecture in Absentia on December 10, 2010: 'I Have No Enemies: My Final Statement'.

THE NEW YORK TIMES

(Translated by Human Rights in China and other scholars from the Chinese; excerpted from the published works of Liu Xiaobo.)

'Your lifelong prisoner'

Liu Xiaobo met his future wife in the 1980s, and the couple married in 1996. Liu movingly expressed his love for his wife, Liu Xia, in a book of his poems that was published in 2012, and also during his trial in 2009, when it seemed certain he might not see her again for a very long time. Excerpts:

I'm your lifelong prisoner, my love/ I want to live in your dark insides surviving on the dregs in your blood/ ...

Maybe as your prisoner I'll never see the light of day/ but I believe darkness is my destiny/ inside you all is well. The glitter of the outside world scares me/ exhausts me/ I focus on your darkness — simple and impenetrable.

Sensex on fire: why are the bulls charging?

The benchmark index has risen by 5,500 points in the last six-and-a-half months. KHUSHBOO NARAYAN explains why, and what can happen now

The BSE Sensex has gone from 26,500 at the beginning of the year to 32,000 now. How have other major global indices performed in comparison?

The Sensex and Nifty, India's benchmark indices, have risen by 20% since the beginning of the year — among the highest in the world. On Thursday, the Sensex breached the 32,000 mark for the first time while the Nifty stopped nine points short of 9,900. The Sensex retreated marginally on Friday but still closed above 32,000, and ended the week with a gain of 660 points (2.1%), the biggest since mid-March. The Nifty breached the 9,900 mark intra-day before falling back. India's market capitalisation (the total value of all stocks listed in the country) has now crossed \$2 trillion; the nation's stock market is now the world's ninth biggest and is closing the gap with Germany and Canada. These are psychologically important marks for the markets, and indicates that sentiment is very bullish.

and construction. As far as the stock markets are concerned, they respond to different signals, such as liquidity," Joshi said.

So, which stocks are doing well, specifically?

Realty stocks as a group (BSE Realty Index) have risen nearly 70% since the beginning of the year because they had been beaten down badly earlier, and also because of reform measures such as the Real Estate (Regulation and Development) Act, 2016 (RERA), and the government's thrust on affordable housing. Consumer durables rose 42% in response to a lot of pent-up demand. Other stock groupings that have done well in this particular market rally include finance stocks and fast moving consumer goods. Stocks in sectors that have been hit — such as steel, power and telecom — haven't done well.

Till when can the party be reasonably expected to last? What factors will determine when the correction comes?

Trying to predict the stock market is a mug's game. Still, the consensus among analysts and markets strategists seems to be that the market will consolidate its gains now after rising sharply for six months. Some brokerages like Morgan Stanley predict that the Sensex would cross 33,000 by the end of this year, based on their belief that India is at the cusp of a new multi-year growth cycle, which will see company earnings rise by 20% annually over the next five years. On the other hand, there are those like Bank of America-Merrill Lynch, which have cut their prediction to 30,000.

SIMPLY PUT

From where is the liquidity coming to power the markets?

Foreign central banks keep a loose monetary policy and buy financial assets. Some part of that money is finding its way into India too. Internally, a lot of domestic savings is flowing to mutual funds, which too are buying. Therefore, both foreign portfolio investors and domestic institutional investors — the two largest categories — have been buying consistently. In this year (2017) so far, foreign investors have bought \$8.37 billion (Rs 54,400 crore) worth of Indian stocks, while domestic mutual funds and insurance companies have bought nearly Rs 25,000 crore.

What are the reasons behind the confidence?

Despite hiccups, India is still one of the fastest growing big economies in the world, with the potential to do more. The current account deficit and fiscal deficit are under control. Retail inflation has fallen to 1.54%. The demonetisation exercise has not scarred the economy very much. The government is focusing on ease of doing business and implementing crucial reforms such as the Goods and Services Tax (GST). All these factors could push up the growth rate for Indian companies and the economy in general, is the belief.

But despite the economy growing and stock markets booming, the rate of job creation remains extremely slow. Is there a contradiction here?

According to D K Joshi, chief economist at the rating agency Crisil, growth does not always lead to job creation. "Growth need not be job creating. The primary reason for low job creation in the country could be due to continued weakness in two of the most labour intensive sectors — manufacturing

How best can the ordinary investor take advantage of the current situation?

Investors would do well to study the stocks before buying. Trying to time the market is not advisable. A better way to invest — depending on a person's risk appetite — is to invest in a systematic investment plan in a mutual fund.

What risks should the investor be aware of, and what should she realistically expect out of her investments?

Well, downside risks are always there. In the present case, we are looking at stocks that are expensive. This is measured by a yardstick called price-to-earnings ratio. The Sensex, for example, is trading at nearly 19 times its estimated earnings for the current financial year. In comparison, other markets are less expensive. MSCI World, a gauge of developed nation stocks, is trading at 16 times. This expensive valuation becomes all the more dangerous if the earnings promise cannot be fulfilled. Factors like a supply chain disruption arising from GST, and a less than normal monsoon could disrupt corporate earnings and trigger a slide in the markets.

Five-yr roadmap towards eliminating malaria — zone by zone, year by year

National Strategic Plan for Malaria Elimination (2017-22) lays down a blueprint of action to tackle the problem, working in parcels and identifying annual targets for each. ADIL AKHZER unpacks the details

ACCORDING TO the World Malaria Report 2016, India contributed 89% of the incidence of malaria in the South-East Asia region. As per the provisional epidemiological report 2016, there were over 1 lakh positive cases in India's 36 states and UTs, which caused 331 deaths. The Indian record stands in sharp contrast to some of its neighbours — the Maldives was certified malaria-free in 2015, and Sri Lanka followed last year.

The Health Ministry has now released its vision for ridding the country of malaria by 2027, and of eliminating the disease by 2030. To be declared malaria-free, a country has to report zero incidence for at least three years. The ambitious National Strategic Plan (NSP) for Malaria Elimination (2017-22) was launched last week in New Delhi by Health Minister J P Nadda. The NSP, a year-wise roadmap for malaria elimination across the country, is based on last year's National Framework for Malaria Elimination, which was, in turn, spurred by World Health Organisation's Global Technical Strategy for Malaria, 2016-2030.

What is this plan to eradicate malaria?

The NSP divides the country into four categories, from 0 to 3. Zero, the first category, has 75 districts that have not reported any case of malaria for the last three years. Category 1 has 448 districts, in which the annual parasite inci-

dent (API, or the number of positive slides for the parasite in a year) is less than one per 1,000 population. In Category 2, which has 48 districts, the API is one and above, but less than two per 1,000 population. Category 3 has 107 districts, reporting an API of two and above per 1,000 population.

The plan is to eliminate malaria (zero indigenous cases) by 2022 in all Category 1 and 2 districts. The remaining districts are to be brought under a pre-elimination and elimination programme. The NSP also aims to maintain a malaria-free status for areas where transmission has been interrupted. It seeks to achieve universal case detection and treatment services in endemic districts to ensure 100% diagnosis of all suspected cases, and full treatment of all confirmed cases.

The plan has four components, based on WHO recommendations: diagnosis and case management; surveillance and epidemic response; prevention — integrated vector management; 'cross-cutting' interventions, which include advocacy, communication, research and development, and other initiatives. There are 660 reporting districts, which, along with another 18 reporting units, make up a total of 678 reporting units.

Which states have the highest incidence of malaria?

In India, malaria is caused by the para-

sites Plasmodium falciparum (Pf) and Plasmodium vivax (Pv). Pf is found more in the forest areas, whereas Pv is more common in the plains. The disease is mainly concentrated in the tribal and remote areas of the country. The majority of reporting districts are in the country's eastern and central parts — the largest number of cases are found in Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, and the Northeastern states of Tripura, Mizoram and Meghalaya.

What kind of challenges is the NSP likely to face?

One of the biggest challenges is the shortage of manpower. According to the Health Ministry, there are only about 40,000 multipurpose health workers (MPWs) against the approximately 80,000 sanctioned posts in the 1,50,000 subcentres in the country. Other problems include access to conflict-affected tribal areas, and to areas with a high malaria endemicity and insecticide resistance. High endemicity states include those in the Northeast, which share borders with neighbouring countries like Bangladesh, where the prevalence of malaria is high.

"Several countries have eliminated malaria... it is possible in India too, but meeting the 2027 deadline is an uphill task. There is need for a focused approach and strong political and administrative commitment," said

Professor Rajesh Kumar, Head, School of Public Health & Community Medicine, Postgraduate Institute of Medical Education and Research, Chandigarh.

How will the NSP be funded?

The resources required for the elimination of malaria would be to the tune of Rs 10,653.16 crore over a period of five years (2017-2022). According to the NSP, the finances would be managed from government sources, international donors, and the corporate sector as part of companies' corporate social responsibility. Of the total sum required, Rs 4,381.23 crore will be spent on intervention, Rs 6,223.05 crore to meet programme costs, and Rs 48.88 crore on governance and other heads.

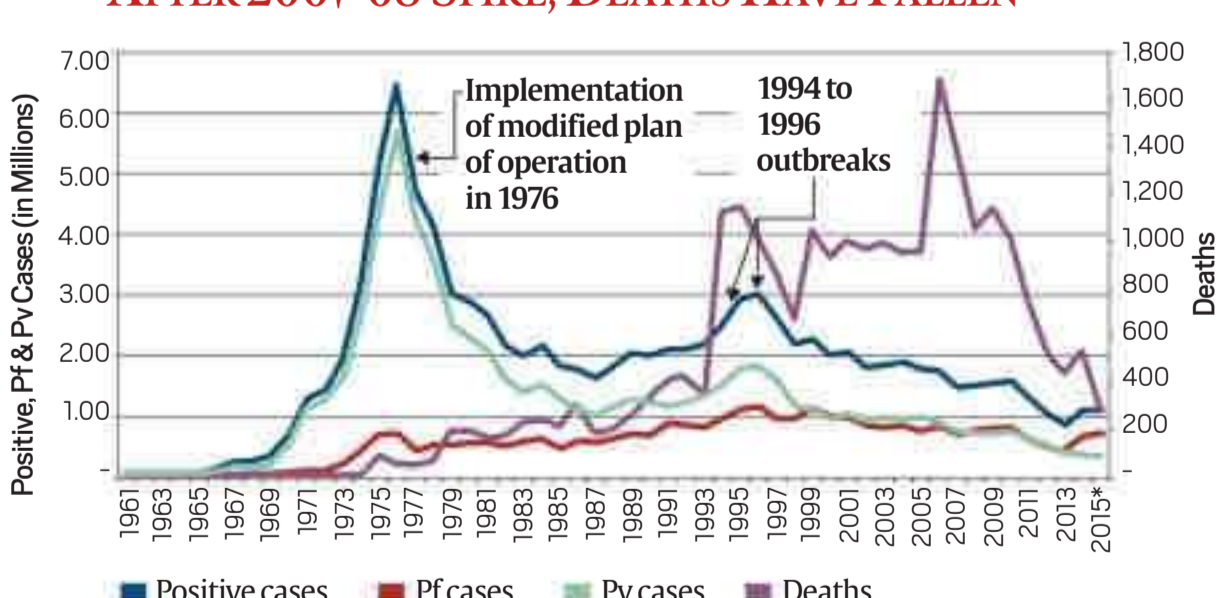
Why is this plan significant?

For the first time, the union Health Ministry has come up with a roadmap for elimination of malaria in the country. Before this, the effort was to "control" malaria under the National Vector Borne Disease Control Programme. The NSP is a detailed strategy with operational guidelines for Programme Officers of all states towards set targets. It has also given a detailed breakdown of annual budgetary requirements over five years.

(The report is available online.)

MALARIA IN INDIA, 1961-2015

AFTER 2007-08 SPIKE, DEATHS HAVE FALLEN



PROJECTED PROGRESSION OF NSP

Year	Cat-0*	Cat-1	Cat-2	Cat-3	Total
2017	75	448	48	107	678
2019	305	233	33	107	678
2020	523	48	15	92	678
2022	571	15	30	62	678

*Cat = Category. API = Annual Parasite Incidence.

Cat-0: districts in 'prevention of re-establishment phase'; no local transmission, no case in last 3 years; 75 districts (11%). Cat-1: districts in 'elimination phase'; API < 1 per 1,000 population; 448 districts (66.1%). Cat-2: districts in 'pre-elimination phase'; API 1-2 per 1,000 population; 48 districts (7.1%). Cat-3: districts in 'intensified control phase'; API 2 and above per 1,000 population; 107 districts (15.8%)

2017: Elimination activities will be concentrated in 448 Cat-1 districts, intervention in Cat-2, Cat-3 to be scaled up aggressively
2019: 230 districts in Cat-1 will achieve zero indigenous transmission, 15 districts in Cat-2 will transit to Cat-1
2020: All 448 districts that were in Cat-

1 in 2017 will transit to Cat-0, 33 in Cat-2 will transit to Cat-1, 15 in Cat-3 will transit to Cat-2
2022: 48 districts that were in Cat-2 in 2017 will achieve zero indigenous transmission; 15 districts will move to elimination stratum, 30 from Cat-3 will move to Cat-2

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WORDLY WISE
IF YOU WAIT UNTIL THE FLOODS, IT WILL BE TOO LATE.
— PAUL PARKER

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

WAY OF THE RIVER

Causes for annual floods in Assam are well-known. It's now time to put lessons from research on the Brahmaputra into practice

IN APRIL, ASSAM'S chief secretary reviewed the state's preparedness to carry out relief and rescue operations during floods. Emergency management exercises were conducted at the ward and village levels. But two months later, as the Brahmaputra went into spate, the state administration was caught unawares — again. Floods in the state have claimed more than 50 lives, nearly 18 lakh have been affected by the deluge and most of the Kaziranga National Park is submerged. Nearly 2 lakh hectares of the state's crop area is affected.

Floods in Assam are as regular as the monsoon itself. According to the National Flood Commission of India, about 40 per cent of the state's area is flood-prone. But human-made factors have compounded this annual problem. This year, the Ranganadi, Dikting and Singra — tributaries of the Brahmaputra — swelled up after the North East Electric Power Corporation opened up its dams to release water from the Ranganadi Hydro-electric Project in Arunachal Pradesh's Lower Subansiri district. Floods caused by the release of water in the Brahmaputra's upstream have become a common monsoon scourge in Assam, since the past seven years. Like most river-related problems, the solution lies in dialogue between upper and lower riparian states — Arunachal Pradesh and Assam, in this case. Assam's policymakers are aware of the problems emanating from the Brahmaputra's upstream. "The floods are caused by the runoff of heavy rainfall during the monsoon and high sediment loads from upper watersheds that are geologically unstable and degraded because of deforestation and changing land use," notes a report issued last year by the Assam State Disaster Management Authority. However, authorities in Assam and Arunachal Pradesh have not put their heads together to resolve the issue.

Even within Assam, agencies which should be working together to keep the floods in check, have operated along different lines. While the state's disaster management authority has correctly identified the geological instability caused by deforestation, Assam's water resource department continues to harp on the discredited system of embankments. The state's embankments — walls to hold river water from spilling — were built according to recommendations made in 1954 by the Rashtriya Barh Ayog. Floods in the past six decades have shown that when the Brahmaputra swells up during the monsoons, it puts pressure on the embankments, causing breaches. This year, eight embankments in the state have been damaged. Moreover, academic and government studies have shown that the Brahmaputra changes course frequently and it's virtually impossible to contain the river within the embankments. Given that the Brahmaputra is among the better studied of the country's rivers, the annual havoc it causes should have been contained by now. It is time research is put to practice.

A LAW FOR THE HELP

Stand-off between workers and residents in Noida highlights the urgent need for legislation that governs domestic work

THE RELATIONSHIP BETWEEN law and social justice can unfold in two ways. The law can be the result of a social and political movement from below that demands greater equality for marginalised and persecuted groups. However, at times, the law itself can be the instrument for transformation, where legislators and the judiciary represent the best interests of society and help bring in progressive change that may upset entrenched privileges. The stand-off last week between the residents of Mahagun Moderne — an upper-middle class condominium in Noida — and the 100-odd domestic "help" that work in the colony has highlighted the need for legislation that recognises "help" for what it is — hard labour — and provides them the basic rights due to other categories of workers.

Zohra Bibi, 27, has alleged her employers assaulted and confined her after they accused her of theft last Tuesday. It was while searching for Zohra Bibi that other domestic workers that live in a nearby slum entered Mahagun Moderne and a scuffle with security guards ensued. While complaints have been registered by both sides, the colony has barred entry to all workers. That domestic workers are largely from regions and communities that are at the bottom of economic and social indices is no secret. After the scuffle, prejudice reared its head as many on social media as well as people from the colony complained of #MaldainNoida, and claimed that the domestic workers were illegal Bangladeshi immigrants. The inequality of domestic workers' circumstances is accentuated by the fact their workplace falls within the privacy of the homes of people that are invariably more privileged than they are. The lack of definition and delineation blurs the line between worker and employer, and is too often a feudal rather than professional relationship.

Thus far, there is no national law that governs domestic employment. Maharashtra has a domestic workers welfare board and in Kerala, Tamil Nadu and Karnataka the category is part of rules and laws that deal with manual workers as a whole. The draft of the Domestic Workers Welfare Bill (2016), however, is ready. It provides for basic terms of employment like a minimum wage, hours of work, notice period and grounds for termination, as well as offences and penalties in the case of crimes and disputes like the one at Mahagun Moderne. Estimates of the number of domestic workers in the country vary from 3.9 to 10 million. No liberal society, or modern economy, can allow such a large number to remain outside the law as "help".

FREEZE FRAME

E P UNNY



MANISH SABHARWAL

HOW CAN 26 per cent of Indians say they work for an enterprise with more than nine employees but only 1.5 per cent of Indian enterprises say they have more than nine employees? How can 92 per cent of our 500 million workers supposedly toil in informal employment when about 100 million Indians pay Provident Fund/ESI, or get a Form 16 of tax from employment, or are employed by government? How can GDP growth of 7 per cent-plus be jobless when the labour force only grew 2 per cent during the same period; does anybody really believe that India just experienced an impossible annual productivity growth of 5 per cent? How can only 4.9 per cent of our population be unemployed when 67 per cent of our population is poor enough to qualify for food subsidy?

India's labour markets are confusing and I'd like to make the case that, one, India has more formal jobs than we think; two, our primary policy challenge is not creating jobs but wages; and three, creating more formal jobs needs sustained reforms to labour laws and education. Let's look at all three points in more detail.

First, India doesn't have "only 7 per cent formal employment" but somewhere between 15-25 per cent. India's job information suffers from the Kartar Bhooth problem. Tagore expresses the tyranny of being bound to the past in his amusing yet profoundly serious short story *Kartar Bhooth* (The Ghost of the Leader) where the wishes of a respected but dead leader make present lives impossibly restrained. The Kartar Bhooth of India's labour market information is the report of the National Commission for Enterprises in the Unorganised Sector chaired by the late Arjun Sengupta. I never met Sengupta but am sure he would regret the confusion his report created between unorganised/organised enterprises and formal/informal employment that has perpetuated the myth of 93 per cent informal employment.

Unsurprisingly, a huge unexplained difference between household and enterprise/production data is not unique to India's labour markets (research suggests that there may be a 30 per cent-plus unexplained

India has more formal non-farm jobs than we think. Creating millions more needs labour, education reforms

Jobs, facts and fiction

difference in household survey calories consumption and food production calories). So not only do we need to improve the frames and plumbing of our survey data but estimating jobs needs de-duplicated administrative data from provident fund, ESI, government employment, Form 16, Mudra loans, etc.

Second, most people who want a job in India have one (our unemployment rate of 4.9 per cent is not a fudge) but they don't have the wages they need because of two large low-productivity clusters in our labour markets: 50 per cent of our labour force works on farms and 50 per cent of our labour force is self-employed. Both are "a job" but don't generate the surplus to pull out of poverty. Farm loan waivers are an emergency response but states doing them should worry about what doctors call "iatrogenic risks", that is, the problems created by the treatment they prescribe.

Sustainably reducing farmer poverty needs what economist Ashok Gulati thoughtfully calls the 4Is — incentives, investments, institutions, and innovation — but the only way to really help farmers is to have less of them. The poverty of self-employment is obvious; the poor cannot afford to be unemployed, not everybody can be an entrepreneur, and many of India's 60 million enterprises are only viable with self-exploitation or regulatory arbitrage. Sustainably higher wages can only come from the higher productivity of formalised non-farm jobs in urban areas done by workers with higher human capital. Formalisation resonates with a new OECD framework for labour market health that includes quantity, quality and inclusiveness that proposes metrics like gender employment gaps, the proportion of people on less than half the median income, etc.

Finally, massive formal job creation needs sustained reforms in labour laws and education. For a government that has taken above average risks — GST, demonetisation, bankruptcy code, and surgical strikes — the pedestrian ambition and performance of the ministries of HRD and labour is unacceptable. Their alibis of vested interests, political econ-

omy or domain complexity are weak and can't justify not moving forward with second-best or incremental reforms. In labour laws, we should stay away from hire-and-fire for now but we should: One, reform the poor value for money 45 per cent salary confiscation of formal employment by goofy monopolies like EPFO (that has four times more dormant accounts than live ones) and ESI (that only pays out 45 per cent of contributions it receives); two, repeal defunct central laws (nine) and merge the balance (35) into one labour code; three, set an 18-month deadline under all central laws for 100 per cent paperless, presenceless, and cashless compliance for all touch points (registration, licensing, returns, challans, registers, etc). In education, we should: One, separate the role of regulator, policymakers and service provider and shift education regulation to the global non-profit structure norm; two, make the Right to Education Act the Right to Learning Act and remove the regulatory cholesterol that breeds corruption; and three, remove the ban on on-line higher education

India's formalisation agenda is making good progress. Over the last three years, we have added more than 1 crore new ESI payers and 1.4 crore new EPFO payers. Of course, not all these are new jobs but they are new formal jobs. Policy-making is not about being right but being successful and it's always amusing to hear comments like "no GST is better than a multiple rate GST" or "without hire-and-fire or trade union reform all labour reform is useless" or "RBI's involvement in NPA resolution is conceptually indefensible". The best reform is small but sustained reform and MHRD and MOL get poor marks for strategy, stamina and sequencing.

India hasn't had jobless growth; just poor formal job growth. This could change quickly with better infrastructure, lower regulatory cholesterol and higher human capital. India's infrastructure is getting better; forcing MOL and MHRD to lower regulatory cholesterol and raise human capital will create millions of formal non-farm jobs.

The writer is Chairman, Teamlease Services



BHARAT KARNAD

ASON some of his earlier foreign trips, Prime Minister Narendra Modi promised Israel, the host country, rich contracts for military hardware, in this case for joint development of medium range and long range surface-to-air missiles (MRSAMs and LRSAMs), and for off-the-shelf purchase of the Israeli Spyder Quick Reaction SAM (QRSAM) for the army.

Why do these deals stick in the throat? The Modi government approved them earlier this year even though it knew the indigenous QRSAM, for instance, was on track and would be tested soon. Both its first test firing on June 4 and the second, pointedly, on July 3, the day Modi left for Israel, went off without a hitch. A third successful test-firing and this locally made missile would be ready for series production and induction. Acting Defence Minister Arun Jaitley praised DRDO for the successful tests, but didn't take the next, logical, step — scrapping the contract for the Spyder that would have saved the country in excess of \$2-3 billion, and given a fillip to the local armaments design and development efforts at the heart of Modi's flagship Make in India programme.

There was no need to go to Israel for 500 units each of MRSAMs and LRSAMs either. The Akash short range missile is already operational with the Indian Air Force. True, this missile's performance is deficient owing to a sub-par Russian radar seeker, but there's little else wrong with it. So, a sensible solution would have been for the indigenous Akash project to be tasked with developing

THE ARMS OF OTHERS

In the defence sector, India's import fixation is taking a toll

There was no need to go to Israel for 500 units each of MRSAMs and LRSAMs. The Akash short range missile is already operational with the Indian Air Force. True, this missile's performance is deficient owing to a sub-par Russian radar seeker, but there's little else wrong with it. So, a sensible solution would have been for the indigenous Akash project to be tasked with developing scaled-up medium and long range versions of the missile.

scaled-up medium and long range versions of the missile within the timeline given to the Israelis. A more narrowly defined deal with Tel Aviv to co-develop a radar-seeker for the Akash missiles could then have been signed at a fraction of the \$5-7 billion cost of MRSAM-LRSAM.

The Israeli contracts to win goodwill are like the PM's announcement in April 2015 in Paris to buy 36 Rafale combat aircraft. These are too few in number to have any sustained impact in war and too costly not to divert scarce funds from the Tejas Light Combat Aircraft (LCA), which is technologically the same as the 4.5 generation Rafale. But because it is an Indian design, it can spawn a whole bunch of air force and naval variants in the future.

India's purchase of the Rafale prevented the French company, Dassault Avions, from closing down its combat aircraft development complex, because until then no country had bought this inordinately expensive fighter plane. The Indian contract will fetch France Rs 1,750 crore per Rafale, for a minimum payout by India of Rs 63,000 crore. Incidentally, this is about the cost of raising 17 Corps, the army's first large offensive mountain warfare formation which Jaitley, wearing his finance minister's hat, had earlier rejected as unaffordable. Now the Chinese are acting up in the Doklam area and India, as ever, is bereft of forces to take the fight to the PLA on the Tibetan Plateau.

And while in Washington, Modi prom-

ised US President Donald J. Trump consideration of the 1970s vintage F-16 fighter plane for assembly in India. Lockheed Martin will make billions of dollars from shifting the worn out F-16 production line to India. The F-16 has no realistic chance if the IAF has any say in the decision, but the Saab Gripen is likely to get in as the single engine aircraft choice of the IAF, again at the expense of the Tejas LCA.

Modi is not the first prime minister to be profligate with the country's resources. In 1995-96, the Congress PM, P.V. Narasimha Rao, rescued the Sukhoi Bureau and manufacturing plant in Irkutsk from shuttering with a generous subvention of Rs 6,000 crore. In return, he did not contractually demand Intellectual Property Rights for the Su-30 technologies developed there, or that Sukhoi share the design work load with Indian aircraft designers in the Aeronautical Development Agency in Bangalore, who created the LCA, or that technology be fully transferred, including source codes, to Indian agencies, or anything else remotely to advance India's defence industrial capability.

Between an imports-fixated Indian military and an Indian government that seems incapable of thinking straight, the country is fated to remain an arms dependency.

Karnad is professor for National Security Studies at the Centre for Policy Research, New Delhi, and author most recently of *Why India is Not a Great Power* (Yet)

JULY 17, 1977, FORTY YEARS AGO

VAJPAYEE IN NEPAL

ON HIS RETURN to New Delhi after talks with leaders in Kathmandu, Minister for External Affairs Atal Bihari Vajpayee said India had an "open mind" on the proposal to declare Nepal a zone of peace. "We have neither accepted the proposal nor rejected it," Vajpayee said. He had promised the leaders in Kathmandu that India would consider the proposal with an open mind. Vajpayee said he was fully satisfied with his three-day visit during which he had talks with King Birendra, Prime Minister Tulsī Giri, Foreign Minister Krishna Rai Aryal, and other leaders. A joint statement said Vajpayee had reiterated the priority given by the new gov-

ernment to having beneficial bilateral relations with all of India's neighbours "and more particularly with Nepal with whom there are ties in tradition, culture, religion, history trade and commerce." Vajpayee also had talks on proposals of the two countries for a new treaty of trade and transit, assistance for various Nepalese projects and the complaints the authorities there have against India's press.

L.N. MISHRA'S DEATH

THE MATHEW COMMISSION has accepted the government's version of former Union minister, L.N. Mishra's death in the absence of any other story presented before it. The

Commission is not too happy about it. The prosecution story blamed the Ananda Margis and the CBI had submitted a chargesheet against 12 margis. The death of Mishra, then the railway minister, took place in January 1975 following a bomb blast at Samastipur.

NEW EXPORT POLICY

THE EXPORT POLICY will be modified in line with the thinking of the Janata government. Commerce Minister Mohan Dharia said his ministry will draft a new policy to guide export promotion efforts. The Janata Party had made known its disapproval of export-led growth and preference for labour-intensive employment-oriented economic policies.

13 THE IDEAS PAGE

Lessons for the field

Diversification is essential to making Punjab a star performer in agriculture once again



FROM PLATE TO PLOUGH

BY ASHOK GULATI AND SIRAJ HUSSAIN

PUNJAB WAS INDIAN agriculture's star performer during the Green Revolution's heyday. The state averaged an agri-GDP growth of 5.7 per cent per annum between 1972 to 1986, more than double the all-India average of 2.3 per cent in the same period. But thereafter, the Green Revolution began to gray. The growth rate of Punjab's agriculture fell to 3 per cent per annum between 1987 to 2005 — almost the same as that of the 2.9 per cent growth rate registered by the country in agriculture during this period. Between 2006 and 2015, the state's agri-growth rate plummeted to 1.6 per cent — less than half the all-India average of 3.5 per cent (see Graph 1). During this period, states such as Madhya Pradesh registered a growth rate of more than 9 per cent in agriculture.

It is not that Punjab has a high value of agri-output per ha that is slowing down its growth rate. The state is nowhere near the top in that ranking (see Graph 2). Getting the state back to a 5 per cent growth path is thus a matter of serious concern. Punjab used to have the highest per capita income amongst the 21 large states of the country till 2003. But it has slipped to the seventh position, and unless there are drastic policy changes, the state is going to slip further.

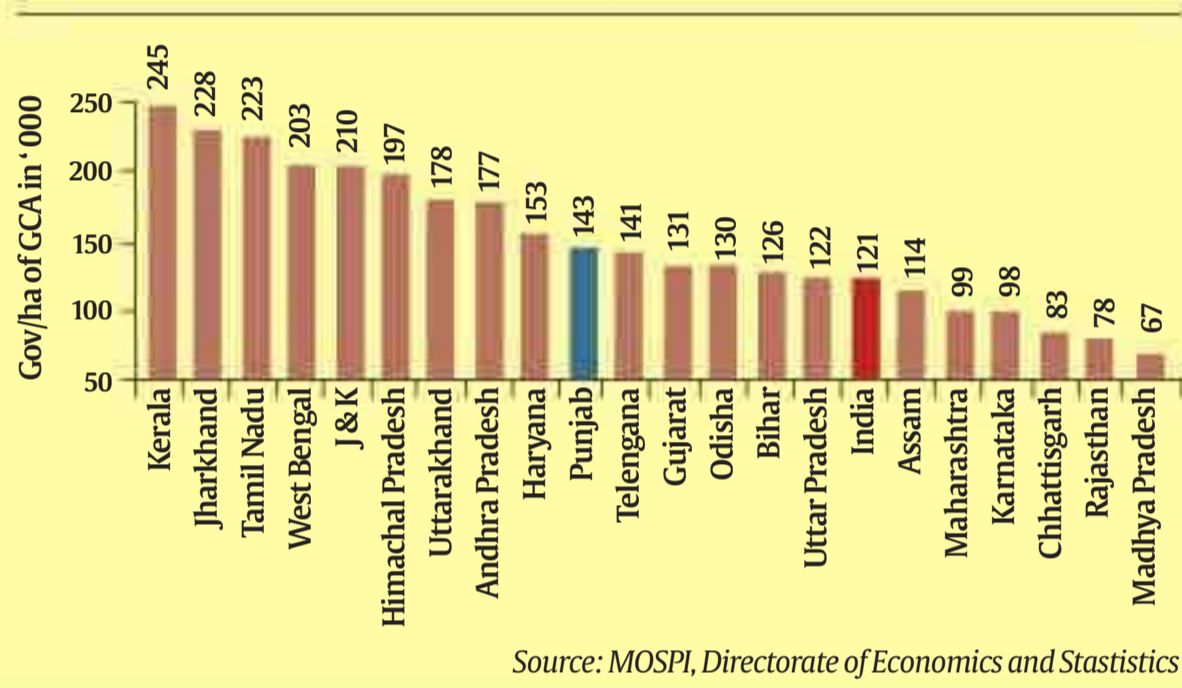
Punjab is endowed with one of the best possible infrastructure for agriculture in the country. It has the highest irrigation cover amongst all states — 98.5 per cent of its cropped area is irrigated. Almost 80 per cent of irrigation is from groundwater sources, facilitated by highly subsidised power. Power subsidy in the state's current budget has crossed Rs 7,000 crore. This is much higher than the subsidy provided to any other agricultural input. Much of the large power subsidy goes into the cultivation of rice, a water-intensive crop — it requires 25 rounds of irrigation in a season. The power subsidy, then, is leading to the depletion of the state's water table. Punjab's water table receded at the rate of 70 cm per year during 2008 to 2012 — 110 of the 132 blocks have been declared as over-exploited. This is the biggest bane of Punjab agriculture.

Punjab does have advantages in other areas. Almost all villages in the state are connected with pucca all-weather roads. The network of regulated mandis in Punjab is one of the best in the country. A robust and fast-moving procurement system has reduced the market risks of wheat and paddy growers in the state. Almost 90 per cent of the market arrivals are procured at the minimum support price (MSP). But this system has also made Punjab's farmers risk averse. This is today the biggest bottleneck in farmers diversifying from the wheat-rice cycle, which occupies more than 83 per cent of Punjab's cropped area.

What can be done to make Punjab's agriculture sustainable, especially with respect to its groundwater resources, without hurting farmers' incomes? Diversification from common rice to hybrid maize is one option, which can save power subsidy and groundwater, and yet give farmers almost the same income as paddy. But farmers are reluctant to switch to maize because there is no effective procurement system for this crop. Our sug-

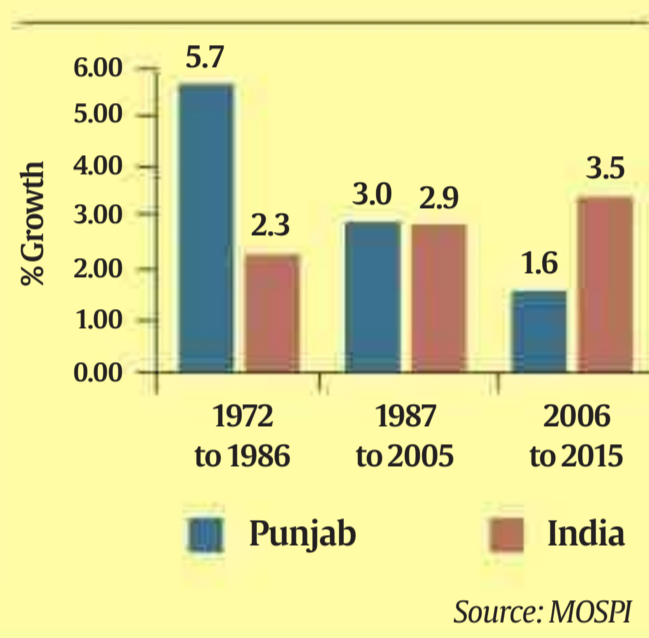


GROSS VALUE OF OUTPUT/HA, (RS IN THOUSANDS, 2013-14)



Source: MOSPI, Directorate of Economics and Statistics

AGRI-GDP GROWTH RATES, PERCENT PER ANNUM



Source: MOSPI

Subrata Dhar

gestion to the Punjab government is to tap the savings in power subsidy — roughly Rs 10,000/ha — which could accrue once farmers switch from paddy to maize. The state could use these savings to cover the risk of maize farmers by promoting feed mills for poultry and silage units for milch cattle and encouraging starch industries that use maize.

With the new GST regime coming into force, the processing industry could be incentivised to prefer Punjab over other states in purchasing agricultural raw material. To help the state regain ecological balance, any losses on account of procurement may be borne by the Centre. Measures have to be taken to offset the reduction in the area under paddy in Punjab (except basmati, which delivers much higher price to farmers). There should be vigorous efforts to increase productivity and procurement of rice in the eastern states which get much higher rainfall and are more suitable for paddy cultivation. Simultaneously, Punjab should promote the use of micro-irrigation, especially for sugarcane and fruits and vegetables.

The dairy and meat industries are other sources of diversification for Punjab's agriculturalists. The state has the highest yield of milch animals in the country and its per capita consumption of milk is also the highest in the country. But the state processes just about 10 per cent of the milk it produces —

Diversification from common rice to hybrid maize is one option, which can save power subsidy and groundwater, and yet give farmers almost the same income as paddy. But farmers are reluctant to switch to maize because there is no effective procurement system for this crop. Our suggestion to the Punjab government is to tap the savings in power subsidy — roughly Rs 10,000/ha — which could accrue once farmers make the switch.

Gujarat, in contrast, processes about half of the milk it produces. Punjab needs to incentivise private and cooperative dairies to invest in processing milk and milk products. It should target a 20 per cent increase in processed milk in the next five years. More than 67 per cent of milch animals in Punjab are buffaloes. If the state can eradicate the foot and mouth disease, buffalo meat from Punjab can be sold at premium rates in international markets, ultimately benefiting the state's dairy farmers.

The state's farmers should also diversify towards fruit and vegetables. Less than 3 per cent of the cropped area in Punjab is under fruit and vegetables. This needs to go up to 10 per cent over the next five years. However, the government will need to invest in marketing infrastructure for fruit and vegetables, as it did for grains by creating a robust mandi infrastructure. With protected cultivation and an integrated cold chain, backed by a robust food processing industry, Punjab can tap the market for fresh and processed produce in West Asia and Central Asian countries. A modern expressway from Khanna to Kandla could be helpful in faster transportation of fruit and vegetables.

Gulati is Infosys Chair Professor for agriculture and Hussain is former secretary, agriculture, Gol and now Senior Visiting Fellow at ICRIER

WHAT THE OTHERS SAY

"Without wider debate, the potential benefits of CPEC will not be felt by the common citizenry, at least not in the shape that we are being told."

—DAWN

Master of his role

Naresh Chandra never allowed himself to be captured by his job. He shaped it into his preferred mould



VINOD DHALLA

LAST WEEK, the civil service, more particularly the IAS, lost one of its tallest figures. Naresh Chandra, Padma Vibhushan, former cabinet secretary, home secretary, defence secretary, chief secretary, ambassador to the US, governor, and adviser-at-large passed away.

I had the good fortune to work with him in handling the Babri Masjid-Ram Janmabhoomi dispute in the 1990s. That interaction paved the way for a life-long relationship. As the Babri Masjid-Ram Janmabhoomi dispute was spiralling into a major crisis, the then Prime Minister Narasimha Rao called upon him to take the hot seat of special adviser.

It took me little time to realise where Chandra's formidable reputation came from. When I entered his room in the PMO, I expected the gravity of the intractable problem to be writ large on his face. But Chandra was nothing if not the master of the role he handled. He was never "captured" by his job; he shaped it into the mould he wanted. I found him at ease and unflinching.

He drew frequently on his extraordinary circle of friends and acquaintances to help resolve knotty issues. When Chandra was handling the Babri-Ram Janmabhoomi dispute, I often found several kinds of personalities sitting with him. These included legal luminaries and religious leaders of different shades. He was uniquely independent of files and paperwork; wrote only short notes and more often appended only his famous signature to a file. His sharp mind found lateral ways to resolve problems.

He was a remarkably calm person to work with. I never saw him lose his cool. Once, when I delayed briefing him on a crucial development, I feared a dressing down. But all he said when he called me from his home was, "Vinod, kya ho raha hai?" (Vinod, what's going on?)

Despite the high positions he occupied, Chandra was never inaccessible. I could talk to him or visit him at any reasonable hour. Sometimes I would send him a file and in-

struct the messenger to bring it back with his orders/approval. He never minded that. Chandra never stood on ceremony.

Chandra had a view on everything and a prodigious memory. He would hold forth in any company and share anecdotes. It was only recently that he recalled a childhood incident, when his brother and he were pulled out of bed one dark night in pre-Independence Varanasi to make place for two unannounced visitors. It turned out the two visitors were freedom fighters, who were being pulled into a safe place to keep them away from the police.

During the early 2000s, the US was hit by unprecedented corporate scams that destroyed many big names like Enron and Arthur Anderson. America's knee-jerk response was deep regulation and the tightly prescriptive Sarbanes-Oxley Act. Around the same time, India also witnessed extensive corporate and stock market fraud. The day for overhaul of corporate governance had arrived. But I needed a balanced and sane head to chart the road, and turned to Naresh Chandra. He kindly accepted to head our reforms committee. His report laid the ground for game-changing reforms which have been continuing till this day. These reforms mandated transparency and accountability in corporate affairs, and expanded roles of audit and independent directors.

Out of that advisory role also emerged the corporate Chandra. He was avidly sought for directorships and advisory positions, and business leaders swore by him. He rather enjoyed the corporate experience, and did not mind the honest money it brought. Always full of grace, he once jokingly remarked that he had "been selected and appointed" to a corporate role by Vinod Dhalla.

His relationships in the business world have been abiding. C. K. Birla has always been full with admiration for his sagacity, wide knowledge and practical advice. Anil Agarwal, Chairman, Vedanta Group has written tributes in the press. Rahul Bajaj, his long time friend, mourned the deep personal loss and told me how unique and invaluable Chandra's presence on the boards had been and of the way he kept everyone enthralled with his views and anecdotes. Even other directors, eminent in their own right, vied with each other to be seated next to him.

There have not been many like Naresh Chandra.

The writer is former secretary, Government of India and chairman, Competition Commission of India

LETTER TO THE EDITOR

TOKEN CHANGE

THIS REFERS TO the article, 'Beyond Rashtrapati Bhavan' (IE, July 14). There are reasons to believe that a great majority of Dalits have faith in the prime minister since their disenchantment with the leadership of the Bahujan Samaj Party, especially after it has shown an increasing tendency to Brahmanise. For many of them, quotidian concerns of securing good education for their children, white-collared jobs and decent living conditions are much more important than nationalist and identity politics. In such a situation having a Dalit as a president will not matter much.

G. Javaid Rasool, Lucknow

CREDIBILITY ISSUE

THIS REFERS TO the editorial, 'By a thousand cuts' (IE, July 14). The decision of the CBFC to "censor" a documentary on one of India's few Nobel laureates violates Article 19(1)(a). When public intellectuals like Amartya Sen are subjected to censorship can students produce research work that is critical of the government. The integrity of CBFC is at stake. If courts are to rule out against the decisions of the CBFC repeatedly, then the credibility of the body will be severely affected.

Mathan Goswami, via e-mail

GENDER DEBATES

THIS REFERS TO the article, 'A crisis of male identity' (IE, July 13). The author has oversimplified a rather complex phenomena. Power has been used since antiquity for furthering of one's goal irrespective of gender. The cycle has often been repeated throughout history and there have always been trade-offs between liberal and conservative values in society.

Saurabh Raj, Gandhinagar

THIS REFERS TO the article, 'A crisis of male identity' (IE, July 13). At a time when the economy is sluggish, employment opportunities are not increasing at the pace of people's aspira-

LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to editpage@expressindia.com or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301. Letter writers should mention their postal address and phone number.

THE WINNER RECEIVES SELECT EXPRESS PUBLICATIONS

tions and women are becoming assertive, the Indian Alpha male feels threatened. When aspirational identities cannot be attained, ascribed identities take their place.

Nishith Mehta, Delhi

TOO FAST, FURIOUS

THIS REFERS TO Shailaja Bajpai's column, Telescope. The weekly wrap up on electronic media (Times Now, NDTV, Retal) is eagerly awaited every week. The author's comments are about the content of the channels, but perhaps she can talk about their screen format as well. At any given time, three strips of text are passing the screen and are a torture to watch. The message (mainly breaking our neck) moves so fast — and unless one has done a course in speed reading — the full impact cannot register. If they repeat it just three times a minute instead of five, it will be a substantial relief.

N.S. Acharaya, New Delhi



NEXT DOOR NEPAL

BY YUBARAJ GHIMIRE

THE RECENT stand-off between India and China over Doklam has fueled speculation in Nepal, mainly over the impact it may have on the country should it escalate into an unanticipated war. After all, the stand-off involves two countries that Nepal, in principle, wants to maintain relations of equal distance or proximity. Officially, India has congratulated Nepal for sincerely pursuing "balanced" relations with its neighbours. In fact, that is how India remembered Maoist leader Pushpa Kamal Dahal when he quit as prime minister in June after holding office for about 10 months.

The prolonged transition process and the visible loss of authority of the state at home and abroad has drastically reduced Kathmandu's influence, owing to its geo-strategic location, in the neighbourhood. Neither side in the current stand-off seems to have contacted Nepal, officially, and explained the issues behind it.

It wasn't always so. Indira Gandhi had profusely thanked Kirtinidhi Bista, the then-prime minister of Nepal, for sharing his assessment, in response to a query, that as far as he understood, China may not want to get involved in the event of the Indian army join-

Non-alignment in Kathmandu

If it continues, India-China stand-off could test Nepal's equal-distance policy

ing the Bangladesh liberation war in 1971. L.P. Singh, a renowned bureaucrat, had thanked him on behalf of Mrs Gandhi after Bangladesh's liberation was secured without China objecting to Indian military activities then, Bista, now 89, and ailing, states in a write-up.

In 1962, when India and China fought a war, Nepal had far less stakes. "We were fearful that China may raise the issue of Gorkha deployment in the war but to save us from diplomatic embarrassment, China did not," says a senior diplomat who then held a key position in the government. Despite being a neighbour, China, for all practical purposes, was then a distant land for Nepal. However, China's South Asia policy has undergone a sea change over the years: It now seeks to neutralise and challenge Indian presence. Nepal has already signed trade and transit agreements with China besides preparing for multiple road projects and railway lines connecting the two countries.

Nepal's growing connectivity with China is largely in rebound to India's economic blockade of 2015, and the unpopularity it earned for brazenly interfering in Nepal's internal politics during the Maoist

insurgency and after. China seems to have taken note of it in the current stand-off. "India controls Bhutan's defence and diplomacy, se-

riously violating Bhutan's sovereignty and national interests. Indians have migrated in large number to Nepal and Bhutan, interfering with Nepal's internal affairs. The first challenge for Nepal and Bhutan is to avoid becoming a state of India, like Sikkim," a prescriptive opinion piece by Xiangchun, published on July 9, in the Global Times, said.

This comes as a setback for Nepali leaders, especially those at the helm of affairs now, who have been asserting that with India-China trade crossing the billion dollar mark, Nepal will benefit from its proximity to two giant economies. Both India and China, through their ambassadors in Kathmandu, were regularly in touch to formulate a common "position" on Nepal to ensure an early end to the transition and political stability. That initiative may suffer if the current stand-off is not settled amicably, or it escalates further.

The immediate task for Nepal is to set its house in order. Conciliatory measures need to be taken to bring all sides as stakeholders in the constitution even if that will need drastic changes in the document. Damannath Dhungana, civil society leader, peace negotiator and a former speaker of Parliament, recently raised a pertinent question in a public debate. "A sovereign people constitutes a republic, but did Nepal adopt due process to get there?" he asked. The republic involves pop-

ular sovereignty and it can't be dictated by a handful of leaders, as it happened in Nepal. Many actors now also realise that a political and power vacuum at the top when there is a conflict in the neighbourhood will reduce Nepal to a playground of the forces in conflict and their allies. That will not be in the interest of India or China, not to speak of Nepal.

Throughout the peace and transition process that have run in parallel since 2005, China asserted that its interest in Nepal is as high as any other country. But Beijing has constantly conveyed in public and through diplomatic channels that China will do everything to protect Nepal's "independence and sovereignty", giving a clear message that the "politics of Nepal has to remain in its sovereign domain". And as India seems to realise gradually that its policy and conduct in Nepal during the past decade needs a review — the u-turn on its Tarai policy is an indication — it may at least encourage Nepali actors to settle the contentious issues by going to the people wherever necessary.

A stronger and stable Nepal will be able to stop its territory from being used by outside forces inimical to its immediate neighbours, and maintain meaningful neutrality, like it did in 1962.

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