

Reading between the numbers

A nuanced understanding of the population question is vital



ALAKA M. BASU

July 11 has been designated by the United Nations as World Population Day. The UN chooses one aspect of population to draw attention to each year; this year the theme is access to family planning.

As someone who teaches a semester-long course on 'population dynamics' (the changing interplay of population size, growth and distribution), I want to underline three related but distinct reasons why we should, or should not, as seekers of a healthy, wealthy and wise world for all its inhabitants, keep population dynamics in mind.

Let's set aside for the moment the UN's projection of India's population size overtaking China's by 2024.

First, any development planning with a time horizon of more than a few years has to factor in the changing size of the base population and, therefore, the changing size of the resources needed to meet the requirements even if the per capita requirements remain unchanged. A simple and glaring example of this obvious calculation not having been made can be found in the insane competition for college admissions in our towns and cities, as the rise in the number of seats has not kept even modest pace with the rise in the number of those finishing secondary school and wanting to go on to college.

Demographic dividend

Virtually every development sector that requires investments will need a larger amount of such investment in different areas – like clinics, hospital beds, homes, schools, colleges and training institutes, jobs, social security, rural banks, piped water and policemen – as the absolute size of our population increases.

It is not just about numbers, of course. What matters is how these additional numbers are distributed – by age, gender, education, income, marital status, geography, and so on. And we are still potentially at the peak of at least one of these distributions – that by age. Thanks to falling birth rates and only slowly rising longevity, we have this 'window of opportunity' or 'demographic di-



vident' during which the working-age population as a proportion of the total population is large enough in principle to supply many of these additional resources.

That advantage will begin to erode soon enough. Worse, even now, some of it is merely notional – we have a large number of young people but we do not have the skills or jobs for this to translate linearly into larger economic output. Indeed, what we might have instead is a translation into poorer social output as the rising per capita frustrations of life feed into antisocial behaviour – my euphemism for the ghastly outbreaks of amoral and immoral mob violence that it seems can be instigated at a moment's notice these days.

Second, our population size and growth require us to reflect more deeply on the implications of this size and growth for development. Are we exceeding our carrying capacity nationally and globally? Are the rising population densities increasing the spread of infection through too much close contact between people? Are we using up water and forests and energy faster than we can replenish them?

These are important questions, but get neglected by well-meaning researchers who, rightly, fear that

any uncomfortable findings will quickly translate into a call for policies that penalise the weakest and the most vulnerable members of society and increase the already vast controls on women's bodies.

We see this fear being justified in several official attempts to clamp down on the fertility of the poor or otherwise marginalised, Assam being the latest example of this kind of crude intrusion into private decisions. An even more horrifying recent example comes from the coercion and callousness that resulted in the deaths of several women in sterilisation camps in Chhattisgarh in 2014.

What our research needs is a better understanding of what population growth does to resources given the vast disparities in consumption between the rich (and usually low-fertility) and the poor (and high-fertility) populations.

Second, it needs to publicise better the non-coercive and much more effective interventions that we know lead to falls in fertility everywhere – girls' education and women's easy access to voluntary contraception in particular. As more women get educated, several of the economic and social reasons for wanting many children begin to seem less important and it organically results in fewer births if the

means to achieve this are known and available.

The third prong of interest in population and population growth comes from the dangerous competition for power and strength that pits different groups increasingly against one another in India today. This tragic competition plays out in some gruesome ways, of course; but it is also fuels a medieval belief that power lies merely in numbers. This quest for power means each group seeks to increase its own numbers and decrease those of 'others'; short of genocide, the latter cannot be easily done by deliberately increasing the death rate; so the other arm of population growth, births, is targeted. And we thus have the spectacle, for example, of presumably celibate and childless religious leaders of all hues (male as well as female, it appears in the case of Hindus) exhorting their followers to step up childbearing while condemning the unbridled reproduction of the 'other' side. In a world run by knowledge and technology, not only is this a foolish way to gain advantage, it again shifts the responsibility for group power on to women's exhausted bodies, their own desires and health be damned.

Denial of agency to women

We are not alone in this attitude. This reasoning lay behind the denial of contraception and abortion to 'Aryan' women in Nazi Germany even as pregnancies in others were often forcibly aborted; it lies in the recent call by the President of Turkey to Turkish immigrants in the West to multiply more rapidly; it explains the rash of incentives many European and East Asian countries now offer to women to have a second or third child to delay the inevitable fall in population numbers in these countries as long as they refuse to countenance immigration to replenish their labour forces.

All these are poor examples for India to follow, for ethical reasons and because they more often than not boomerang. What women need is the right to make their own child-bearing decisions and to have the information and services to make these decisions wisely and well. If this truly happens, the 'population' question will take care of itself.

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The man with the clues

From diplomacy to deal-making, crosswords to the corporate world, Naresh Chandra was a problem-solver



RAKESH SOOD

My first substantive interaction with Naresh Chandra was in 1993 when he was Senior Adviser dealing with the aftermath of Ayodhya, in Prime Minister P.V. Narasimha Rao's office, after a distinguished career in the civil service spanning 36 years, during which he had served as Chief Secretary of Rajasthan, Union Secretary for Water Resources, Defence and Home and finally as Cabinet Secretary. I was Director in the Ministry of External Affairs heading the newly created Disarmament & International Security Affairs Division. The Chemical Weapons Convention (CWC) had been concluded after long negotiations lasting nearly a decade and India was among the original signatory countries. I had put up a note to Foreign Secretary J.N. Dixit spelling out the obligations that the CWC would entail for different ministries and the chemical industry. To my surprise, he asked me to brief the Senior Adviser in the Prime Minister's Office.

Chandra's table had no papers or files other than a newspaper with a half-finished crossword. He listened patiently and asked a few pertinent questions. The reason for his involvement soon became clear when four years later in 1997, India publicly acknowledged that it had pursued an active chemical weapons programme and was now planning to destroy its arsenal and dismantle the programme as required by the CWC. The inter-ministerial coordination that I had been pushing for automatically fell into place.

As I got up to leave, he asked about the state of play regarding the Comprehensive Test Ban Treaty (CTBT) negotiations in Geneva, another of the subjects I was looking after. After listening, he said, "Let me know if there are any major developments. Just call my office and come over." I began briefing him periodically thereafter.

In the second half of 1995, as the CTBT negotiations were moving into a decisive phase, Rao set up a small group into which I was inducted. Chandra coordinated it and others included R. Chidambaram (Secretary of the Department of Atomic Energy), A.P.J. Abdul Kalam (Secretary, Defence Research and Development Organisation) and Deepak Bhowmik (Private Secretary to PM). By this time, he was Governor in Gujarat and would fly down for the meetings. Chandra's work and involvement with India's nuclear programme, including during this period, is now well-known.

In 1996, he was appointed Ambassador to the U.S., a position he held for nearly five years, overseeing the most intense and productive engagement between the two countries. His first year was marked by growing differences on the CTBT negotiations which the Clinton administration was pushing for; then came India's nuclear tests in 1998 when the U.S. imposed sanctions followed by the intense engagement with the 18 rounds of talks between Deputy Secretary of State Strobe Talbott and Foreign Minister Jaswant Singh, together with expert-level talks. Chandra handled it with characteristic aplomb, appearing on TV channels, engaging the Congressmen and the Senators and addressing the think tanks.

When Aloj Prasad (Joint Secretary looking after the U.S. desk) and I travelled to Washington for talks with our counterparts, Chandra would insist on accompanying us to our meetings, an unforgettable gesture from a person nearly 20 years our senior, but one that enhanced our standing in our interactions. Riding with him in the car introduced me to crosswords, his old passion. I would struggle with the *Financial Times* crossword and he would say, "Read the clue," followed by "How many letters?" – and as I spoke, pat would come the response. A postgraduate in mathematics, his knowledge of Western literature, musicology and classics was unparalleled.

Boardroom avatar

After returning from Washington, Chandra took on a new avatar, as one of the most sought-after board members in the corporate world. After I retired from government, one day he called, "Can you take some time out from your writing and lecturing? If so, I want to suggest your name for a board position in one of the companies where I am the chairman." I promptly agreed and thus began a new learning. Once again, I saw the ease with which he would employ his vast experience and negotiating skill in the boardroom, addressing issues with a practical common sense and a problem-solving approach.

Chandra enjoyed the fine things of life – his superb selection of ties, his shoes from Church's, good single malts, an occasional cigar, all of which he shared generously, while holding an audience spellbound as he recounted stories from an endless repertoire.

Naresh Chandra was a large man, larger than life for he lived it to the full. I will miss a guide and teacher. I have pulled out my crossword manual and dictionary which he had presented me, for now I will have to solve this cryptic alone.

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SINGLE FILE

The great Indian migration

The socio-economic aspects of north-south migration need to be analysed

DIEGO PALACIOS

Despite the decline in total fertility rates (TFR) countrywide, 12 States continue to have TFR above 2.1 children per woman, known as replacement-level fertility. However, when the TFR declines, the drop does not stop at 2.1, as seen in Kerala (1.6), Tamil Nadu (1.7) and Karnataka (1.8).

This leads to faster changes in the population structure characterised by a reduction in the proportion of young people and an increase in the proportion of the elderly.

When all the States in India are clustered in terms of fertility levels, one sees a predominantly youthful north and a maturing south and west. This demographic divergence between States and regions is important from the policy perspective and forward-looking development planning.

Most of the current and future demographic potential is locked in the northern States, and largely located in Bihar, Jharkhand, Madhya Pradesh, Rajasthan, and Uttar Pradesh. As per population projections, these five States will account for more than 55% of population growth in India till 2030. Those who are under 15 years of age today will become India's working population in the coming decades, and almost every second person in this age group resides in these five States.

Migration-friendly planning

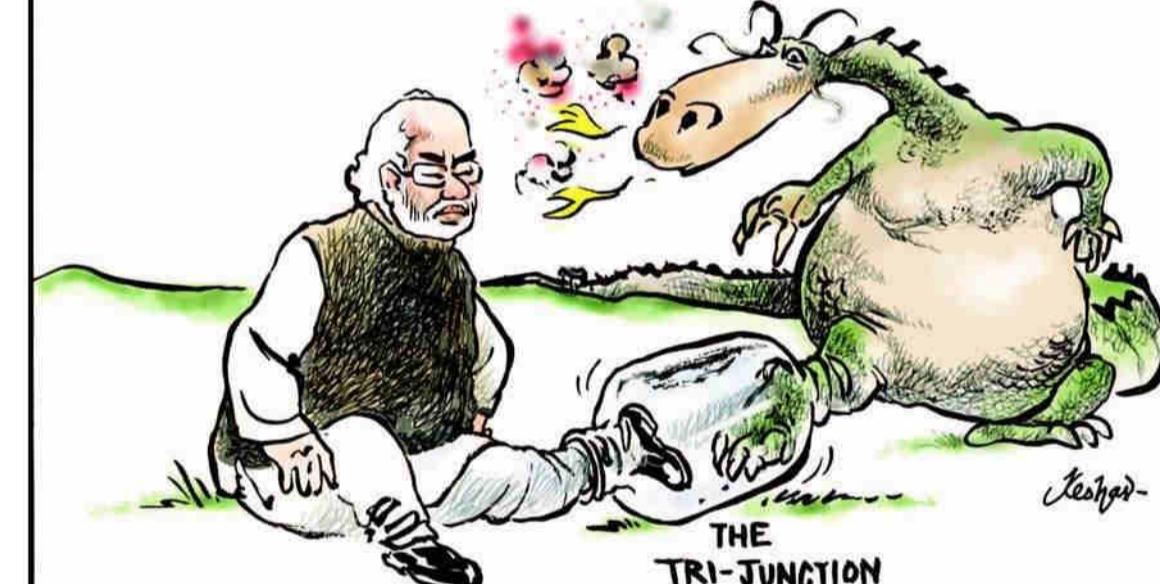
The proportion of the elderly started increasing in the southern States several years ago. Now, the phenomenon has extended to the western, extreme northern and eastern States. In the coming decades, they will require a young workforce to keep institutions functioning efficiently, and also to take care of the elderly. This need is likely to be met by people from the youthful north, with many moving to the ageing States. Already, the migration trend is evident, with established flows of young people from these States to other parts. The divergent demographic transition in the high-low TFR States will add further impetus to this movement in the coming decades.

The socio-economic implications of young people heading south, leaving the children and elderly behind, need to be analysed. The challenges of moving into new communities that speak different languages and have different cultures need to be understood and addressed. Along with the migrants, the issues of the locals must also be appreciated.

There is a need to gain deeper understanding of migration flows, so that estimations and projections can be made regarding changing need for housing and infrastructure, health care and utilities, education and skills. States need to work together to provide portability of identity proof and entitlements, as well as build support systems for families left behind.

India urgently needs to take cognisance of the divergent demographic transition trends. Timely strategic action can develop human capacities to cater to future needs and build rights-based policies that work for migrants as well as locals. All adding up to help optimise development, employment and collaboration across States in the country.

Diego Palacios is UNFPA Country Representative (India) and Country Director (Bhutan)



CONCEPTUAL Owner's earnings

FINANCE

The amount of cash that owners can take out of a business after all its cash requirements have been met. The concept of owner's earnings is similar to free cash flow, which measures the amount of cash a business generates after all its reinvestment needs – like capital expenditure – have been met successfully. Since it takes into account all cash payments that a business must make before it can pay its owners, owner's earnings can provide a better picture of owners' true income. The term is attributed to American investor Warren Buffet, who uses it to arrive at the value of businesses.

MORE ON THE WEB

In numbers: the story behind Sree Padmanabhaswamy temple vaults <http://bit.ly/keralatemple>

ABSTRACT

Why is your money worth so much?

A paper argues that state power is needed only to create a paper currency standard, not to sustain it

PRASHANTH PERUMAL

What makes paper money so valuable? After all, in contrast to commodity money like gold and silver which have been in use for centuries, these printed pieces of paper have very little intrinsic value. Yet they get exchanged for valuable goods every day. In fact, the sale of almost any good today involves money being accepted by the seller. The usual answer provided by economists to explain this paradox has to do with the coercive power of government. Since the government mandates that citizens must accept paper money issued by it in any transaction, they argue, paper money attains value.

This argument was famously proposed by German economist Georg Friedrich Knapp in his 1905 book *The State Theory of Money*. Paper money, according to this



logic, must lose almost all its value if the government in power breaks down and ceases to exist. But does such a thing happen in the real world? "Positively Valued Fiat Money after the Sovereign Disappears", a 2017 paper by William J. Luther and Lawrence H. White, looks at the example of Somalia's currency to find an answer. The authors discover that Somalia's currency, the shilling, continued to be exchanged for goods in the market, even as the Somalian government broke down and the country became stateless in 1991.

Based on this experi-

ence, Luther and White argue that the government's coercive power is required only to create a paper currency standard, not to sustain it. They say people generally do not accept paper as currency, as it has very little intrinsic value. But once a paper currency is established as a money by the government, it can continue to perform its functions smoothly, even in the absence of the government that created it. This, they say, is because people have already accepted it as money.

It is noteworthy that other economists doubt whether people will accept paper currency as money, even if it is the government that forces them to use it. They argue that, historically, paper currencies became acceptable only because they were initially backed by commodities like gold and silver.

FROM The Hindu ARCHIVES

FIFTY YEARS AGO JULY 11, 1967

Maps ignore Chinese claims to Indian areas

The External Affairs Minister, Mr. M.C. Chagla, told the Lok Sabha to-day [July 10, New Delhi] he believed that the Soviet Union had been satisfied with the legitimacy of India's position on its border dispute with China. Mr. Chagla made this statement in reply to Mr. Hem Barua after disclosing to the House that the Soviet maps which had previously shown India's borders with China according to Peking's claims no longer printed the Chinese version of the Sino-Indian border. "We must be thankful to the Soviet Union for not recognising Chinese claims to our border", Mr. Chagla said.

A HUNDRED YEARS AGO JULY 11, 1917

A free high school

The opening of a free High School at Ramachandrapuram, 15 miles from Pudukkottai, took place to-day [July 9] at 9 A.M. in the presence of a large gathering. Mr. S.T. Nagappa Chettiar of Ramachandrapuram, having made up his mind to set apart about Rs. 1,25,000 for this purpose approached the Durbar with a request that it may kindly permit him to have a High School of his own in his village. Necessary permission having been accorded, he began the construction of a building at a cost of about Rs. 40,000 and has now temporarily lodged the school in a building specially put up for the purpose. Mr. Burn, the Dewan, Messrs. Padmanabha Sastrial, Swaminathai Aiyar, P. Krishnamurthy Aiyar and several others were present at the opening ceremony.

DATA POINT

A maestro returns

Grandmaster Garry Kasparov, who announced his return to competitive chess this week, had dominated world chess for nearly two decades before retiring in 2005. His peak Elo rating of 2851 was achieved before the age of sophisticated computer-aided preparation. Elo ratings of 2800 have been regularly breached by other players since 2010. A look at individual Elo peaks

Player	Current nationality	Peak rating	Year	Birth year	Peak age
Magnus Carlsen	Norway	2882	2014	1990	24
Garry Kasparov	Russia	2851	1999	1963	36
Fabiano Caruana	U.S.	2844	2014	1992	22
Levon Aronian	Armenia	2830	2014	1982	32
Wesley So	U.S.	2822	2017	1993	24
Maxime Vachier-Lagrave	France	2819	2016	1990	26
V. Anand	India</				