

# Telecom sector financial woes will hit employees

Inability to hire new employees and train the old ones could have an adverse effect on other aspects of business



RAJAN S MATHESW

With around four million people employed directly or indirectly by the telecom sector, any major changes in the industry will proportionally impact the country's economy. The sector is going through one of its worst phases since inception. After investing over ₹9 lakh crore, the sector is struggling to manage its debt of ₹4.5 lakh crore, with a revenue of just ₹1.8 lakh crore — a figure that is declining — despite servicing more than a billion subscribers.

Service providers were just recovering from the upheavals of the past —

expensive spectrum auctions and debilitating tariff wars — when the new phase of hyper-competition hit them. It was all set for the next stage of evolution — mobile data-based services and all that it brings with it. But now they are at a standstill.

Hyper-competition has had such an adverse impact on the sector that questions have risen about whether some telecom service providers would survive the next few years. The last phase of hyper-competition that started in 2009 ended with four operators exiting the business five to seven years later. The industry has had almost no time to recover, with the spectrum auctions following almost immediately, followed by licence renewals and other additional expenses. This has forced service providers to severely cut costs and consolidate further.

Cutting costs has not helped much. Market watchers welcome sector consolidation. Few countries have more than five telcos and in a country where

tariffs are among the lowest in the world, fewer players sharing the revenue pie is most welcome. However, since it is a forced consolidation, there are more cons than pros.

Staff costs account for around five per cent of revenues — not a small amount, as it includes more than two million people directly and close to another two million indirectly, making the sector one of the largest employers. A fourth of the employees — that is, more than a million jobs — are expected to lose their jobs in the next 12 to 18 months due to consolidation. That will bring more sorrow to the sector on which much of the government's marquee programmes such as Digital India and Skill India depend. Then, there's the added pressure on overall unemployment numbers.

The United Nations International Labour Organization, in its 2017 World Employment and Social Outlook report released earlier this year, estimates that unemployment in India will increase

from 17.7 million last year to 17.8 million in 2017 and 18 million next year. In percentage terms, unemployment rate will remain at 3.4 per cent in 2017-18.

These job losses are inevitable given that service providers are being forced to streamline their operations and minimise redundancies, ensuring absolutely no leakages in any aspect of the business, especially manpower. This means that deploying new technologies will not generate more employment, as is normally the case.

The inability to hire new employees and train the old ones could have an adverse effect on other aspects of business as well. These include attracting global talent and a slowdown in investment in research and development and technology deployment. It will also hamper 5G deployment for Internet of Things and cloud-based services to their full potential. This could leave the country with a bare minimum while the world forges ahead.

The latest numbers show that recov-

ery, or the proverbial light at the end of the tunnel, is nowhere in sight.

It's not just job losses that we need to worry about post consolidation. With reduced competition, increased tariffs cannot be far behind. If consolidation fails, then the lack of a robust telecom ecosystem could severely damage the economic and social fabric of the country.

According to the GSMA, the global association of GSM technology-based mobile service providers, every 10 per cent of penetration of mobile phone services led to the one per cent gross domestic product (GDP) per capita rate growth. This explains the fact that until mobile phones came along, the country had a GDP growth rate of sub one per cent; it has gone up to around seven per cent since.

Mobile connectivity has played a pivotal role in bridging the digital divide and moving India towards an equitable and democratic nation. The telecom industry, therefore, deserves immediate intervention to encourage policy and regulatory stability; facilitate growth, innovation and investment and further Prime Minister Narendra Modi's vision for India.

The author is director general, Cellular Operators Association of India

## CHINESE WHISPERS



### Quiet amid criticism

Prime Minister Narendra Modi's (pictured) Twitter handle @narendramodi was silent on Thursday. While the official handle of @Pmoindia continued to tweet regularly, Modi's personal handle remained quiet, as critics slammed the decision of demonetisation following the publication of figures in the annual report of the Reserve Bank of India. As the criticism became louder following the release of low GDP growth numbers on Thursday, his last tweet remained the one on August 30. "Progress of Smart Cities Mission, more effective implementation of the Forest Rights Act through technology were discussed," Modi tweeted about an event held in Pragati Maidan on Wednesday.

# Trading the fruits of intellect

An intellectual property exchange in India will create a platform for buying, selling and licensing intellectual property rights



APARAJITA GUPTA

Bill Gates once said, "Intellectual property has the shelf life of a banana." Well, ask intellectual property rights (IPR) holders and many would agree with the sentiment that it has a short life. Moreover, finding buyers isn't easy. As a result, some argue that patent holders are often unable to derive value from patents before expiry. On the other hand, companies searching for IPRs don't know where to find sellers. How about a platform for trading IPRs? This may soon become a reality. The Ministry of Science and Technology is said to have given in-principle approval for an intellectual property (IP) exchange.

With the onset of the Fourth Industrial Revolution, innovation and IPRs will grow exponentially. Here, IP exchanges will become increasingly relevant. These are platforms where IPRs such as patents, trademarks, copyright and industrial designs are bought, sold or licensed. In short, these are one-stop shops for sellers and prospective buyers to trade in IPRs.

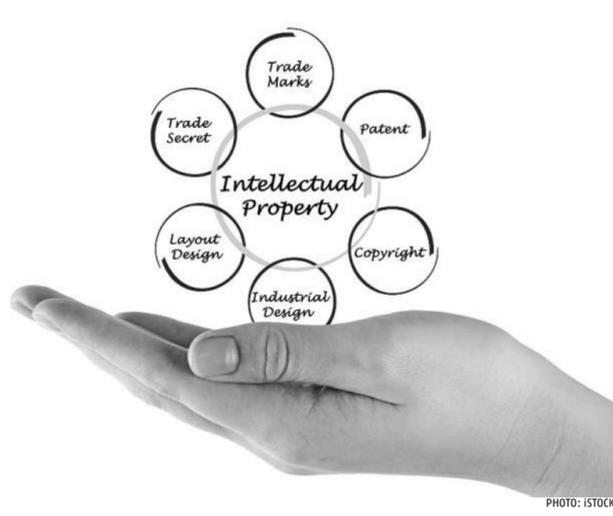
Globally, there are several IP exchanges. It's worthwhile to study some of the existing ones. One is IP Marketplace, managed by the Danish Patent and Trademark Office. It's a free online platform to trade patents and patent applications, utility models,

trademarks and designs. But there is a caveat. It is only a forum for parties to meet; sales happen offline. Further, the "Danish Patent and Trademark Office does not guarantee the rightful ownership, validity or value of these IP rights". It's the user's risk. A special feature of this platform is its foreign collaboration with other platforms, which involves exchange of listings (of IPRs).

Asia IP Exchange (AsiaIPEX) is managed by the Hong Kong Trade Development Council. It lists patents, copyrights, trademarks and designs spanning sectors such as agriculture, machines and green technology. Being online, it attracts global users to create accounts. Some exchanges such as the Intellectual Property Exchange go beyond traditional IPRs and list trade secrets, technology, scientific projects and know-how. It allows universities and public research institutions to sell or license IPRs and helps in attracting external partners for research collaboration. It also has a standardised and automated transaction process, which brings in transparency.

To protect the confidentiality of information to be shared, Tech Transfer Online makes prospective buyers sign confidentiality agreements. This protects one's IP even if the deal doesn't happen. To promote newly listed IPRs, it sends alerts to the relevant people. Some exchanges such as the Hong Kong Intellectual Property Exchange Limited (HKIXL) have detailed terms for complying with the law. It retains the power to restrict/prohibit certain activities such as those creating legal liabilities or infringing on others' rights. Further, it sets out the dispute resolution mechanism, which includes recourse to arbitration.

These insights from a comparative study of international exchanges can be



a useful starting point for setting up our exchange. While building one, the first question is, who will use it. Broadly, users would fall under two heads. One set would demand IPRs; this would mean companies or individuals. The other set would supply IPRs; this includes innovators, IPR holders, universities and research institutions. As per news, people and commercial entities from India and abroad would trade on the proposed IP exchange.

The second question is, what kinds of IPRs should be listed. From the user's point of view, patents, trademarks and industrial designs should be there. Only legally protected IPRs would be listed. Potentially infringing items should be barred. The third question is, how would users utilise the platform? They may

make an account, which will help alert them about new additions to the platform. Fourth, what services should the platform provide? Based on international comparison, it is clear that platforms are of various kinds. The Danish platform only provides people a meeting place while trade happens offline. In others, people can meet and trade online and use additional services provided by the platform. The latter may be more advantageous.

Fifth, what would be the platform's role in protecting confidentiality and tackling disputes? It can get parties to sign confidentiality agreements before IP disclosure. Further, it can provide a dispute resolution mechanism, including ADR. This can be one possible model.

Undoubtedly, an IP exchange has huge potential. It will be a global platform for trading IPR between people and commercial entities. It will bring economic gains for rights holders by commercialising their assets. Coming at a time of growing clamour over job crunch, it will open the way for entrepreneurs and start-ups and help address unemployment. It can also spread a culture of innovation among students. As educational institutions would supply IPRs, students would be encouraged to innovate by seeing demand for their work. On the other side, it would help companies wishing to expand their IPR portfolio. IPR can have social benefits by listing IPRs, such as a patented safety gear for women. By listing eco-friendly devices, this platform can further the environmental cause.

While the potential is immense, there may be some challenges. Before trading, people will need a legally protected IPR. Here, they will need a quick procedure. The authenticity of a listed IP may be an issue, as platforms often don't take responsibility. IPR valuation may pose another hurdle. Finally, upholding confidentiality is important.

Unquestionably, an IP Exchange is a necessity in this age of innovation. Recognising this, the National Intellectual Property Rights Policy, 2016, mentioned the need for a feasibility study for IP exchanges. The government is on course to come out with one. This shows its commitment towards innovators. That day is not far off when IPR holders will enjoy (trading) the fruits of their (mental) labour.

The author is a lawyer from National Law University, Delhi, and currently a professional at NITI Aayog. The views expressed are personal



### Maintaining a low profile

Railway Minister Suresh Prabhu (pictured) has been maintaining a low profile after a spate of train accidents and calls for his resignation in their wake. Prabhu's name was on the list of confirmed speakers sent out by the organisers of an industry event that took place on Thursday. However, his name was missing when the organisers prepared a revised list. According to sources, the minister wanted to avoid media attention following the railway mishaps.

### Tit-for-tat over start-up event

With Assembly elections due next year in Karnataka, the Bharatiya Janata Party (BJP) and the ruling Congress seem to be engaged in a tit-for-tat game on social media. This time it is over the start-up event, Elevate, for which the state government has committed ₹35 crore to fund more than 100 start-ups. On Twitter, Rishi Bagree, a BJP supporter who claims to have Prime Minister Narendra Modi and party President Amit Shah as his "followers" on the microblogging site, accused state Information Technology Minister Priyanka Kharge of using government money to finance his "ghost companies" in the garb of start-up funding. In return, Kharge called his accuser a certified troll. "Please prove your allegations or please apologise to all the entrepreneurs who have worked hard to be here," posted Kharge.

## BUSINESS LIFE

# China realises it needs foreign companies

Investment from overseas is falling. That's a big problem

CHRISTOPHER BALDING

China is increasingly desperate for foreign investment. Yet foreign companies are less and less interested in what it has to offer. How this problem gets resolved may be one of the most important questions facing China's economy.

After China joined the World Trade Organization, in 2001, overseas investors couldn't wait to jump in. Foreign direct investment grew at an annualised rate of 10.8 per cent from 2000 to 2008. Enticed by China's market size and development capacity, companies were willing to tolerate almost any kind of restriction. They turned over intellectual property; entered into joint ventures as junior partners, essentially training their eventual competitors; and accepted restricted access to wide swathes of the economy.

Since the financial crisis, however, things have changed. Wages in China have risen by an average of 11 per cent a year, making it less attractive for outsourcing. Despite years of complaints, intellectual property theft hasn't abated (just ask Michael Jordan, who had to wage a four-year court battle to get ownership of his own name in China). Add in an increasingly hostile business environment, and it's not surprising that overseas companies are losing enthusiasm.

Since 2008, utilised foreign direct investment has increased by an average rate of only four per cent a year. According to quarterly balance-of-payment data, foreign direct investment has amounted to only \$55 billion this year through June. The last time China's mid-year inflows were that low was in 2009, the year



Foreign firms still don't think there's a level playing field in China BLOOMBERG

after the financial crisis.

This could have serious economic consequences. Due to shady invoicing — which many firms use to evade capital controls — the money flowing into China through its trade surplus has shrunk. From 2010 through 2014, banks reported net settlement inflows from goods trade of nearly \$1.7 trillion. Since January 2015, net settlement by banks has amounted to only \$278 billion, while the official trade surplus is \$1.3 trillion. For a country that relies on capital accumulation to sustain growth, this is a significant problem.

Making matters worse, China maintains a quasi-pegged exchange rate, which requires balancing the inflow and outflow of capital. That means attracting foreign investment is a necessary precondition for investing abroad, which is China's main method of advancing its foreign policy objectives. Without more foreign capital, China will have a difficult time keeping the yuan stable and pursuing its global investment

goals, such as the Belt and Road infrastructure initiative.

At the root of all these problems is that foreign companies still don't think there's a level playing field in China. The European Union Chamber of Commerce in China has said that "European investment in China is simply being held back". More than 80 per cent of American companies in China say it has become less welcoming to foreigners in recent years. The number saying China is a top investment priority has fallen accordingly, from 78 per cent in 2012 to 56 per cent this year.

China's government at least seems to recognise these problems. It is adding more free-trade zones, for one thing. And it recently issued a revised and somewhat less restrictive "negative list" of industries that are off-limits to foreigners. These reforms represent progress. But an amazing number of industries remain restricted or off-limits. Reform needs to go further.

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## LETTERS

### Importance of civic sense

With reference to the editorial, "Raining problems" (August 31), Mumbai was thrown out of gear due to heavy rain. As usual, the blame game began with political parties blaming each other for the deluge.

The state government and the municipal authorities failed to control the damage, resulting in the loss of crores of rupees. It is the duty of the municipal authorities to be prepared for unforeseen calamities. The Municipal Corporation of Greater Mumbai is a cash-rich body. It should spend money on improving the drainage system, especially in areas prone to flooding. In many places drains are choked by plastic bags, litter and other waste from housing societies.

The people of Mumbai should become conscious and avoid using plastic bags and throwing litter on the roads and bring to the notice of the higher authorities the loopholes in the functioning of the municipal body.

The city should have a good drainage system, a well-connected public transport system and adequate infrastructure, including clean roads.

If people had civic sense several problems related to the environment, basic amenities and health would not have cropped up. Keeping the surroundings clean is not the job of the government or municipal authorities alone; we also have a role in that. Civic sense should be inculcated in children so that they become good citizens later — they should know not only about their rights but also how they should carry out their duties. Children should be taught cleanliness and hygiene. They can become the best teachers for any social initiative.

Veena Shenoy Thane

### Need for a fresh outlook

With reference to the editorial, "Raining problems", recurring floods point to the need for a fresh outlook on water management covering urban and rural areas.



Ecosystems comprising marshlands, wetlands, lakes, drainage systems, water bodies and rivers have deteriorated. Encroachment and illegal construction in flood-prone areas and destruction of forest areas have weakened resilience to floods. The government has failed to bring in measures to protect homes and businesses from their impact.

Floods can be controlled to an extent with sustainable drainage systems, proper dredging systems and efficient maintenance. A system has to be developed to store floodwater for use during the non-monsoon seasons. Linking of water bodies should also be explored. There is a need for coordinated water and land-use planning.

Builders should be educated so that their plans don't block waterways and cover drainage systems. People should be encouraged to grow plants, which help break the power of flowing water and thus reduce erosion. Education is important to inform and caution people.

Sushil Bakliwal Jaipur

### Short-term handshakes

With reference to K Shankar Bajpai's article, "Afghanistan, US and lessons for India" (August 31), in the present global political environment, no country can claim to have a completely safe and secure foreign policy. Bajpai has rightly pointed out that wars can no longer be treated as "won" and over. International strategies, not only of India but also of other nations, have changed drastically, with the emphasis shifting from commerce to defence.

The US appears to be unpredictable about its international political stance; it no longer has the same global influence as it did in the past. It is being given the cold shoulder by some small countries.

India is concerned more about China and Pakistan. Indo-Afghan relations have improved, although partially, over the issue with Pakistan, but they stop at that. Terrorists continue to enter India through the back door.

Political agreements have been reduced to short-term handshakes. It seems territorial disputes and politics of intrusion will exist for long.

C Gopinath Nair Kochi

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard, Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi 110 002. Fax: (011) 23720201. E-mail: letters@bsmail.in. All letters must have a postal address and telephone number.



BY MIKE FLANAGAN

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## Down and out

GDP surprises on the downside; govt must respond swiftly

The Central Statistics Office of the Union Ministry of Statistics and Programme Implementation released on Thursday its estimates of the gross domestic product (GDP) for the first quarter – that is, April to June – of the current financial year. They surprised on the downside; GDP growth during the quarter was 5.7 per cent, when many estimates had expected it to come in at between 6.5 per cent and 7 per cent, year on year. There have been several successive quarters of slowing growth now, and the government must examine carefully what it is doing wrong. It is worth noting that year-on-year GDP growth has slowed as compared to the fourth quarter of 2016-17. Perhaps some of this is due to anticipation by companies of the effects of the goods and services tax (GST), through de-stocking and so on. That said, some factors should have pushed it higher. For one, the remonetisation process has been completed, allowing for pent-up consumer demand to be expressed. The government has also spent freely. Taken together, this indicates that the economic situation is even worse than previously assumed.

Examining the data more closely is not reassuring. Naturally, there might be something of a rebound going ahead, as Chief Statistician T C A Anant has pointed out, because the inventory build-up prior to the festive season will be “compressed” this year. But other aspects suggest any future rebound will not be emphatic or sustainable. For one, gross fixed capital formation remains anaemic. No investment revival is discernible in the data. In addition, the government has already spent heavily, running through a reasonable proportion of its fiscal space. Government final consumption expenditure went up by 12.6 per cent, year on year, when measured in constant prices, as compared to 11.3 per cent last year. Growth in government spending cannot constantly outpace general economic growth without severely retarding India’s fiscal consolidation efforts.

Another concern is the manufacturing sector. Gross value-added (GVA) at basic prices for the first quarter of 2017-18 for this sector grew by 1.2 per cent; year-on-year growth in the corresponding quarter last year was 10.7 per cent. This reflects the differing figures given for growth in the component of the index of industrial production (IIP) that measures manufacturing output for the two quarters. IIP manufacturing grew by 1.8 per cent in the first quarter of 2017-18, while it grew by 6.7 per cent in the first quarter of 2016-17.

It is clear that the government must now deal with this slowdown on a war footing. Investment, manufacturing, and small and medium enterprises (SMEs) need close attention. The GST may hurt some SMEs going forward, and its deleterious effects on this sector must be isolated and corrected. Meanwhile, clearing the investment pipeline needs to be focused on in a laser-like manner. Until a better investment climate is created and the slow growth of bank credit and the debt overhang problem is addressed, reviving overall growth will be impossible. The government needs to improve its economic management, and fast.

## Big bang failure

Demonetisation could not meet its stated objectives

The annual report of the Reserve Bank of India (RBI) for the last financial year was eagerly awaited for one key reason — gauging the impact of demonetisation. The report released on Wednesday presented an unflattering picture; almost 99 per cent of the ₹500 and ₹1,000 notes that were declared invalid by the government on November 8, 2016, had come back into the banking system by the end of June. This was in stark contrast to the varying estimates made by government spokespersons about the quantum of cash that was unlikely to return to banking channels.

Stung by the Opposition criticism as to whether the purpose of the exercise was to convert black money into white, the government said on Thursday that close to ₹3 lakh crore money that has come to the banks is being scrutinised. While the action that follows remains to be seen, the evidence so far on the claims of demonetisation benefits is disappointing. The truth is the three stated objectives at the time of announcing demonetisation — getting rid of black money held in cash and counterfeit notes used in terrorist operations, and a digital push for transactions — have not been met. Since almost all the money has come back to the RBI, the primary objective of getting rid of unaccounted cash has not been served. The number of counterfeit notes, as the RBI data shows, is also too small to affect terrorist funding. Finally, cash being pumped back into the system under remonetisation continues to be faster than normal. As such, the eventual level of money supply may not show any reduction from the November 2016 level. So what price a digital economy?

The only positive that the government can claim, and has claimed, is that the number of income taxpayers has gone up sharply. There has been some debate on these numbers and about the seemingly conflicting claims. But again, while any increase in the number of people paying taxes is a plus, the additional tax collected is hardly anything to write home about. On the negative side, the RBI has had to bear a big burden because it had to absorb the surge in deposits through the reverse repo and liquidity adjustment facility (LAF) and compensate banks. This, in turn, resulted in the halving of the RBI’s dividend to the government. The printing of new currency notes has also been a cost factor.

In addition to such clearly designated losses, there was all the disruption of normal economic activity — daily wage earners losing income (the latest Economic Survey had said that there was a 30 per cent surge in demand for MNREGA employment in north India, following demonetisation), and people having to stand in queues for days. The impact of this upheaval was well registered across sectors such as construction, leading to a slowdown in growth of the gross domestic product. The RBI report underscores the apprehension that these economy-wide travails were to no great purpose in the end, especially since cash seems to have come right back into real estate deals, not to forget that a lot of money laundering went on through the use of “cash coolies” and other methods. The government had little to show for as revenue from its second income disclosure scheme unveiled just a fortnight before the demonetisation deadline ended. All things considered, there can be only one verdict. Demonetisation was a blunder, poorly thought through and badly executed.

ILLUSTRATION BY AJAY MOHANTY



## Why I do not watch TV news anymore

That the Indian television news viewer prefers the viciousness on display in top channels is a worrisome trend

What do the ratings of our television news channels reveal about us, their viewers? The Broadcast Audience Research Council’s data for the week ending August 18 is in and it showed Republic TV at Number 1 with 1.04 million weekly impressions and Times Now at Number 2 with 1.03 million impressions. In Hindi it is Aaj Tak on top with 15 million, followed by Zee News which had 10.9 million.

Remember these are weekly impressions, so presumably one divides them by seven to get average daily impressions. This means two things: First that top Hindi channel is watched by 15 times more people than the top English one, which is not surprising. What is surprising is that even the leading English news channel is not watched by more than a few hundred thousand people a day.

It is a small number of people viewing news television with outsized influence. There has already been some reporting on this issue in the media, and that is not what this piece is about. What is interesting is the nature and content of the two channels on top.

On February 3, in this column (“The awaited return of Arnab Goswami”) I had written that “once Mr Goswami launches his station, I predict it will soon become Number 1, just as Times Now became during his decade-long stint there.”

I had sketched out some reasons for believing this, mostly on the side of how the television business is structured today and how low capital costs

were and so on. But my primary reason for believing that this would happen, as it has, was on the side of the audience: Indian society.

Before we get into the details of what is meant, let’s take a look at the other English channel numbers.

As we have seen, both Republic and Times Now have a million impressions a week. The other three main channels have only about a third of that. India Today has 366,000 a week, NDTV has 352,000 and CNN News 18 has 290,000.

NDTV has been around for two decades and is defined by its sobriety and lack of hysteria. It is also hesitant to fling in its lot with the channels that colour people traitors and anti-nationals and so on. This is essentially the reason why it has a limited reach and viewership. The fact is that the Indian television news viewer prefers the stupidity and viciousness of Republic and Times Now.

Stupidity I do not have a problem with, and I suppose when one is forced to churn out material every minute of the day (which is what 24/7 means) mistakes will happen. What is dismaying and dangerous is the viciousness. It manifests in many forms. For example, Mr Goswami’s personal dislike of Congress leader Shashi Tharoor and stalking of him. That is an example of an individual being harmed, or at least an attempt made to harm him.

The other is the majoritarianism. It shows in the programmes that are focussed on demonising India’s 180 million Muslims. And in such positions as the valourising of terror suspects merely because they



REPLY TO ALL

AAKAR PATEL

## Emerging revolution in drone affairs

Imagine a swarm of rubber band-catapulted armed mini-drones flying in large formations over a battlefield? Now, ponder the fact that each drone was modified, armed and operationalised from off-the-shelf models worth less than \$200 each. The future of aerial warfare has landed.

China recently demonstrated this possibility when state-owned China Electronics Technology Group Corporation launched a record-breaking 119 drones in mission formation. The breakthrough was not in the numbers per se; rather it was in “swarm intelligence” — the harmonic integration of multiple low-tech drones with smart sensors and artificial intelligence (AI).

Future warfare will likely be asymmetric in terms of size, scope and impact, leading to a partial shift away from costly military-grade UAVs (unmanned aerial vehicle) to multi-UAS (unmanned aerial system) swarms designed to overwhelm enemy defences. Drones will be variously fitted with reconnaissance cameras, electronic jamming devices, missiles, warheads and even machine guns and sniper rifles. A “drone hive” within flying distance can store, launch and recharge these swarms with digital efficiency.

The US, Israel and China currently lead the world in military drone technology. China’s arsenal of 1,300 military drones is set to grow quantitatively and qualitatively over the next few years due to its global monopoly in commercial drone production. Companies like DJI, Zerotech and Ehang, among numerous others, mass produce hundreds of thousands of drones per annum, capturing 85 per cent of the global market in the process.

There are no contemporary countermeasures against swarms of disposable, 3D-printed drones. Directed energy beams may be an option if such swarms are detectable by radar. Upon discovery,

however, the swarm may be prompted to disperse and regroup in smaller numbers to neutralise enemy defences. As a deterrent weapon, such swarms are theoretically unsurpassable in terms of cost, efficiency and in the ability to create a territorial cordon sanitaire with minimal risk of escalation. Suicidal terrorists will be neutralised by miniature kamikaze drones. What more can a jawan ask for along the Line of Control in Kashmir?

Make in India drones?

But where does India stand in this transformative Revolutions in Military Affairs (RMA)?

Although it is acquiring local and foreign drones for a variety of anticipated missions, the Israeli Searchers, Herons, Harpys and Harops remain the spearhead of the Indian arsenal. However, these drones collectively cost hundreds of millions of dollars to the exchequer, necessitating a closer look into alternative drone paradigms that are more cost-effective and lethal.

Military drones will remain indispensable as they can replace the human pilot and remain operational for extended periods of time under a variety of terrains, altitudes and weather conditions. The edge possessed by hi-tech military drones, however, will be blunted as soon as they fall into enemy hands. Iran had reportedly reverse-engineered a US RQ-170 Sentinel it captured in 2011, and subsequently used the knowledge gleaned to bring down two more US RQ-11s as well as a ScanEagle drone.

Most of the time, there is no need to use expensive military drones when specially outfitted commercial ones can do the job. Indian military planners should consider weaponising commercial drones as a pro-tem measure before swarms of Chinese aerial sentries are deployed over the Himalayan frontiers.



MATHEW MAAVAK

## The US empire in the mirror



BOOK REVIEW

HISHAM MATAR

When I was 12 years old, living in Cairo, my parents enrolled me in the American school. Most of the Americans there appeared oddly stifled, determined to remain, if not physically then sentimentally, back in the United States. It seemed particularly inconvenient that they had ended up in an Arab country. The school’s architecture and grounds did all they could to remedy this. Even the urinals and hand dryers had been shipped from America. It was as though they believed, as Suzy Hansen observes in her remarkably revealing book that “as you went east, life degrad-

ed into the past.”

This was in the early 1980s, before the two gulf wars and the “war on terror,” and yet even back then I wondered whether to be an American in the world was to be limited by a sort of imaginative obstacle. This is what concerns Ms Hansen. According to her, the situation has gotten worse. “We cannot,” she writes, “go abroad as Americans in the 21st century and not realise that the main thing that has been terrorising us ... is our own ignorance — our blindness and subsequent discovery of all the people on whom the empire-that-was-not-an-empire had been constructed without our attention or concern.”

Born and raised in New Jersey, Ms Hansen became a journalist (she is a contributing writer for *The Times Magazine*), moved to New York and, after September 11 — when Americans, as she puts it, “had all lost their marbles” —

moved to Istanbul. Her book is a deeply honest and brave portrait of an individual sensibility reckoning with her country’s violent role in the world. In the period between 9/11 and the election of President Donald Trump, she lives in Turkey and travels to Greece, Egypt, Afghanistan, Iran and the Mississippi Delta. She uses these places, their complex histories and fraught present, as lenses through which to look at her own nation.

Ms Hansen is not only unnerved by but also genuinely interested in the ways her country fails to “interrogate” itself. She asks why, given the extent to which America has shaped the modern Middle East — the lives it ended, the countries it fractured, the demons it created, its frantic and fanatical support of Israel — it “did not feel or care to explore what that influence meant.” She is unsettled by how absent or illusive or, worse, unnecessary this fact is to many Americans,

including herself — for, before anything else, “Notes on a Foreign Country” is a sincere and intelligent act of self-questioning. It is a political and personal memoir that negotiates that vertiginous distance that exists between what America is and what it thinks of itself. That dramatic, dizzying and lonesome chasm is Ms Hansen’s terrain.

One of the causes of this disparity, she proposes, is that “Americans are surprised by the direct relationship between their country and foreign ones because we don’t acknowledge that America is an empire.” She is curious about the nature of the impediment, about how “ignorance is vulnerable to the atmosphere it is exposed to.” Without realising it, she too had absorbed a fear of Islam and the idea that Muslims “were people that must be restrained.” She admits, “My problem was that not only had I not known much about the Middle East, but what I did know, and how I did think, had been an obstacle to original and accurate and moral thinking.”

Ms Hansen also shows the ways in which America, in its anti-Communist

crave, has consistently supported the religious right in the Middle East and aided the rise of Islamic extremism. Hansen wants to uncover the lie, and this, of course, is both dangerous and hopeful, for as much as this book is a lament — what its author calls “a study in American ignorance” — it is also a plea.

The tone is at once adamant and intimate. This is a book that is spoken softly rather than screamed; and one senses that it took great personal discipline to be so. In fact, what is admirable is the extent to which Hansen implicates herself. She does this soberly and without self-pity.

Strangely though, and as “un-American” as this book might seem, *Notes on a Foreign Country* is in fact a very American book. It is interested in personal transformation; it is both a record of conversion and an optimistic attempt to convert. Because, as she writes, no one tells Americans that they will spend their first months abroad “feeling superior to everyone around them and to the nation in which they

now have the privilege to live”.

The problem, however — and it is a problem to do with conversion — is that it is assumed that the question is one of persuasion. If only America were like Ms Hansen: Disquieted, self-analytic and imaginative. Perhaps, in other words, Americans know that they feel superior and are quite content with their superiority. Perhaps their naïveté, if that is what it is, is not as deep as Ms Hansen imagines; perhaps they are aware of the myth of themselves and have simply decided it is too useful a myth to give up. For as she herself notes, “The largest existential threat to Americans might have been admitting the Afghans would be better off without them.”

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NOTES ON A FOREIGN COUNTRY  
An American Abroad in a Post-American World

Suzy Hansen  
Farrar, Straus & Giroux  
276 pages; \$26

are Hindu.

The important thing to note here is that this is validated and endorsed and subscribed to by the audience: Us. The fact that more Indians, many more, choose to watch this garbage says something deeply troubling about us.

The preference for dark material has meant that the space for good journalism on television has actually shrunk. Karan Thapar and Barkha Dutt are off the air, presumably because no channel wants them, and that is incredible to me. They are among the five best English TV journalists we have even seen in India.

This has meant that for those Indians who want balanced, factual and unsensational anchoring on serious subjects, there are fewer places to go to.

Look at a parallel development in the United States. This week, for the first time, the ratings war for news shows on cable television was won by Rachel Maddow. She is a liberal (which I suppose in America means anti-racism, pro-individual rights) who had 2.78 million viewers. This put her ahead of Fox’s Sean Hannity who had 2.68 millions.

Americans, like Indians, are also being put through a period of torment and trauma by right wing violence and rhetoric. But those that are opposed to this are rallying in large (and even larger) numbers as Ms Maddow’s success shows. In India, it is the opposite. The continuous demonisation of Muslims by the ideology of India’s largest political party has been given approval by the English channel-watching elite.

The liberals (strange word for those who are just seeking humane treatment under the Constitution for all Indians and the stopping of hate-mongering) are in such small numbers as to be irrelevant.

If you are alarmed by this development, you should know that it will increase. The reason is that the success of the nasty channels and their content will pull other channels towards similar material. Media is a business and its currency is audience size. There is no running away from that. In my February piece I had written: “What does this mean for TV news and what is the likely fallout? The obvious one will be that in trying to compete with or outdo Republic TV, the other stations will become even more loopy than they currently are. If this be hard to imagine for most readers of this paper touched as it is by sobriety, you don’t have too long to wait. The debates to come will be more intense than what we have seen.”

I have stopped watching news television entirely (a book and a drink offer a much more agreeable evening experience) but those of you who are watching will likely testify that this is true.

We have entered dangerous waters and I fear for what is ahead.

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