



## Slow creep

Taxes need to be eased to make petrol and diesel more affordable to consumers

Petrol and diesel prices have crept up slowly over the last three months, but without inviting the kind of anger and criticism usually directed at such fuel price hikes. The price of petrol in Delhi, for instance, has cumulatively increased by almost ₹5 since the introduction of the daily pricing policy on June 16 this year. Daily pricing is now being seen by many as a ploy to increase prices while allowing the government to escape any political backlash. The government, for now, has ruled out any change to the current pricing policy arguing that it, in fact, ensures that the benefit of lower international crude oil prices is passed on to domestic consumers. A comparison of crude oil prices with domestic petrol and diesel prices, however, suggests that this argument is far from convincing. In 2012, when India purchased a barrel of crude for around \$120, a litre of petrol was sold at around ₹65 in retail fuel stations. Today, when the Indian crude basket price has dropped to around \$50, the retail price of petrol is well over the ₹70 mark. This does not come as much of a surprise. The deregulation of petrol and diesel pricing, in 2010 and 2014 respectively, caused fuel prices to be determined primarily by the forces of supply and demand rather than input costs. Traditionally, fuel prices were determined on a cost-plus basis, which led domestic prices to fall in line with the cost of inputs like crude oil.

Still, lower international crude oil prices should have led to lower domestic fuel prices even under the free pricing regime, if not for the heavy taxes imposed on domestic fuels. Excise duty and value added tax are the main culprits in this regard. In fact, about half the price paid by the Indian end-consumer for petrol goes towards paying these taxes. The government's excise duty collection, for instance, has more than doubled during the period 2014-17, from ₹99,184 crore to ₹2,42,691 crore. This suggests quite clearly that the government, not the consumer, has been the biggest beneficiary of lower crude oil prices since 2014. These taxes impose an artificial limit on the amount of supply that can be profitably sold to the Indian consumer, which in turn leads to consumers paying higher prices for petrol and diesel. In fact, an alternative tax such as the goods and services tax (GST), even at its highest slab of 28%, would substantially lower the current tax burden on fuels. Apart from making petrol and diesel more affordable to many more people in the lower rungs of the economy, it will also decrease the economic distortions caused by extraordinarily high taxes imposed on automobile fuels that are widely used. Along with lower taxes, greater competition in the fuel retailing market will allow further cost efficiencies to kick in and lead to lower prices for consumers.

## Shattered dreams

U.S. President Donald Trump has put another category of immigrants in legal limbo

Nearly 800,000 people in the U.S. now face the possibility of losing their jobs, driver's licences and university seats and even of being deported to a country that was not their home. The looming legal limbo for this sizeable cohort, which includes around 8,000 Indian nationals, is a direct result of President Donald Trump's decision on September 5 to rescind the Deferred Action for Childhood Arrivals (DACA) policy. This is a major Obama-era executive action designed to protect those who arrived in the U.S. as children accompanying their undocumented migrant parents. The logic of the Obama administration was that so long as such childhood arrivals integrated lawfully and productively into American society, not committing any crimes, paying their taxes and being upstanding members of the broader community, there could be no reasonable argument to uproot their lives and send them to their parents' country of origin. Now Mr. Trump has turned that logic on its head in an apparent effort to deliver on his campaign promise to crack down on all forms of undocumented immigration. While he previously appeared sympathetic toward DACA, Mr. Trump has effectively passed the buck to Congress by calling on it to come up with legislation for a lasting solution to the problem "through the lawful democratic process". No new applications are being processed. Existing beneficiaries requiring renewal of permits for a further two-year period have until March 5, 2018 to get it done.

Beyond that deadline, their continuance in the U.S. would require lawmakers to come up with a bill similar to the Development, Relief and Education for Alien Minors (DREAM) Act, a legislative proposal that went beyond piecemeal benefits, granting its recipients residency and setting out a path to citizenship. Such a bill, encapsulating widely acceptable principles underpinning a path to citizenship for deserving migrants, has eluded Capitol Hill for decades. During Barack Obama's presidency, the comprehensive immigration reform package proposed by the Gang of Eight bipartisan Senators came close to resolving this gaping hole in the immigration policy. Had it been passed, the 11 million undocumented workers in the U.S. may have found a modicum of solace in the knowledge that one day they could emerge from the shadows into the mainstream. Painful questions surrounding visa issues, including the political soft target that the H-1B visa is, could have been laid to rest and this would have, for example, fostered a climate of greater predictability for manpower planning at tech companies. Yet that bill never did pass into law, owing to the partisan bickering that Americans have come to despise of their representatives in Washington. Given the hostile political climate and bitter polarisation of the U.S. electorate along party lines, there is a real risk that short-term point-scoring on specific aspects of immigration reform could trump the need for a more robust, sustainable remedy.

# Time for course correction

Both public and private investment must pick up for the Indian economy to get back to high growth rates



C. RANGARAJAN

What do the latest numbers on national income indicate? What are the chances of the Indian economy moving out of the current phase of relatively low growth? Or are we stuck at a new 'Hindu' rate of growth?

### Recent trends

About a week ago, the Central Statistics Office (CSO) released the estimates of the gross domestic product (GDP) for the first quarter (April-June) of 2017-18. The numbers showed that in Q1 of 2017-18, GDP grew by 5.7%. Gross value added (GVA) at basic prices grew by 5.6%. Whichever measure you take, the growth rate has fallen below 6%. In the corresponding quarter of the previous year, GDP grew at 7.9% and GVA at 7.6%. What accounts for the decline in growth rate by almost 2 percentage points? Certainly, demonetisation must have had a negative impact. Also, the destocking of goods which might have happened prior to the introduction of goods and services tax (GST) must have also had a negative impact.

However, it might be inappropriate to attribute the entire decline of 2 percentage points to the two factors. What has been happening is a steady decline from the first quarter of 2016-17 when the growth rate of GVA was 7.6%. By the third quarter of 2016-17, the growth rate had declined to 6.7%. Since then it has fallen by another 0.9 percentage point. Given the growth rate of 5.6% in Q1, it is unlikely that the growth rate for the year as a whole will exceed 6.5%. For this to happen, the growth rate in the next three quarters will have to be 7%. The most disappointing



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aspect of the first quarter numbers is the steep fall in the growth rate of manufacturing to 1.2%. Because of the good monsoon, agriculture will do better. Since agricultural growth rate last year was also good, the increase may not be that much.

If the economy has to get back to the high growth rate seen earlier, we need to understand the factors that might have been operating to bring down the growth rate.

One of the arguments attributed to the low growth rate is the poor performance of the external sector. Growth is fuelled broadly by two types of demand, domestic and external. High export growth has propelled the growth rate of many countries, including China's. In India's own experience, the high growth phase between 2005-06 and 2007-08 saw exports growing at an average annual rate exceeding 20%.

India's declining growth rate has also coincided with poor export performance. Export demand has been weak because of the tepid growth rate of the advanced economies. Both in 2014-15 and 2015-16, the export growth rate was negative. However, the export growth rate has become positive since the second half of 2016-17. While undoubtedly export demand is critically important to sustain high growth, the sharp decline in growth rate noted in the last few quarters cannot be attributed to

poor export performance. In fact, as compared to the previous year, the export performance has improved.

### Fall in investment rate

The fundamental problem has been the sharp fall in the investment rate. Gross fixed capital formation rate stood at 34.3% in 2011-12. This started falling steadily and touched 29.3% in 2015-16. It fell further to 27.1% in 2016-17.

According to the latest numbers, in the first quarter of 2017-18, it stood at 27.5%. Since the public investment rate has not shown any decline (it stands at 7.5% of GDP), it is the decline in private investment, both corporate and household, that has been responsible for the steady fall. While the fall in corporate investment is steep compared to what was achieved in 2007-08, it has more or less stabilised at a lower level of around 13%. Household investment, however, has continued to decline even in recent years. Household here includes not only pure households but also unincorporated enterprises.

Deep concerns have been expressed about the fact that the growth that we have seen in recent years has not resulted in an increase in employment. The current period has therefore been described as one of 'jobless growth'. It may be noted that data on em-

ployment are not very reliable. Firm data are available only for the organised sector. The rest are estimated through surveys. In fact, in the case of unorganised sectors, very often the position is one of 'underemployment' rather than unemployment. Growth can occur because of two reasons. One, it results from better utilisation of existing capacity. Two, it can come out of new investment. Whatever growth we have been seeing recently has come out of better utilisation of capacity rather than new investment. It is real growth spurred by new investment that generates more jobs.

Another intriguing factor about the falling investment rate is that the last few years have shown a steady and substantial increase in foreign direct investment (FDI). FDI inflows in 2016-17 were at an all-time peak of \$60 billion. In the first quarter of 2017, the inflows were \$10.9 billion. With this type of inflow and if the investment rate has not grown, the one surmise that one can make is that much of the FDI has gone into acquiring old assets rather than going to greenfield projects. All this implies is that domestic investors continue to remain shy.

### Private investment

What can be done to stimulate private investment? First, in creating an appropriate investment climate, reforms play an important role. Some of the noteworthy changes that have happened in the last few years are the passing of the bankruptcy code and GST legislation, and modifications in FDI rules.

We must continue with the reform agenda and there is still a lot to be done in the area of governance. Second, financing investment has taken a beating because of the poor health of banks. Banks in India today are universal banks providing both short-term and long-term credit. The sharp reduc-

tion in the flow of new credit has also put prospective investors in a difficult situation. To resolve the non-performing asset (NPA) problem, banks need to take a haircut. To bring banks back to good health, recapitalisation has become urgent. The government should go beyond the amount indicated in the Budget regarding disinvestment and fund banks through the money raised by disinvestment. Third, a close look must be taken at stalled projects to see what can be done to revive those which are viable. This is indeed a low-hanging fruit. In fact, this must be part of an overall effort to hold consultations in small groups with investors to understand and overcome the obstacles that come in the way of new investment.

Not all investor groups are plagued with intractable problems. Industry-by-industry consultations and analyses are needed to pinpoint problems and their solutions. Fourth, even though the progress of small and medium industries is very much dependent on the fortunes of the large, a separate look at medium and small enterprises may be needed to prod them into new investment.

### Two engines of growth

To sum up, the growth rate in 2017-18 is unlikely to exceed 6.5%. Once the glitches and fears of the GST are over, the growth rate may pick up. Our goal must be to achieve and sustain a growth rate of 8% and above over an extended period. The Achilles heel is private investment, which has been steadily falling. However, there has been a slight pick-up in public investment recently. That is not enough. Only when the two engines of public and private investment function at full throttle will India fly high.

C. Rangarajan is former Chairman of the Economic Advisory Council to the Prime Minister and former Governor, Reserve Bank of India

# An alliance on track

The Mumbai-Ahmedabad bullet train deal is also a geostrategic coup for Japan



PALLAVI AIYAR

When Japanese Prime Minister Shinzō Abe meets Prime Minister Narendra Modi in Ahmedabad this week, the bilateral agenda will range from issues of maritime security to nuclear energy and trade. But at the centrepiece of their summitry will be the inauguration of India's first high-speed rail corridor from Mumbai to Ahmedabad, to be developed using Japanese technology and financing.

The image of the platypus-nosed blue and white Shinkansen streaking past a snow-topped Mount Fuji has become as synonymous with Japan as sushi. Since October 1964, when the first bullet trains collapsed the time it took to cover the 552 km between Tokyo and the commercial centre of Osaka to four hours (today it is down to 2 hours, 22 minutes), the Shinkansen has emerged as the symbol of Japan's post-World War II ascent to economic superpowerdom. It encapsulates the archipelago's engineering might and almost preternatural standards of safety and punctuality. Japan's Shinkansen have carried over 10 billion passengers to date, without a single accident or casualty and an average delay of less than one minute.

Yet, despite this admirable track record, Japan has struggled to export its bullet train know-how, even as Mr. Abe has made selling the technology abroad a cornerstone of his game plan to revitalise the stagnant Japanese economy. Before signing on India, Taiwan had been Japan's only successful sale. But Taiwan is hardly a poster child for the system, given that its high-speed line has suffered heavy losses since opening in 2007.

Profitability is a notoriously hard ask for high-speed train networks. Most lines across Europe, for example, are in the red. In Japan, some routes, notably Tokyo-Osaka, are profitable, but to achieve this requires high volumes of passengers and highly priced tickets. It costs around \$130 for a one-way Shinkansen ticket from Tokyo to Osaka. And over 350 trains operate on this line daily, ferrying about 163 million passengers a year. The region served is demographically dense, home to over half of Japan's population. These

conditions are not easy to replicate and other high-speed lines in Japan have struggled.

Chinese competition

The latest challenge to Japan's ambitions is the emergence of China as the new emperor of the super-fast train. Over the last decade China has developed a 22,000 km high-speed rail network. It boasts the 'world's fastest train', the Shanghai Maglev that hits speeds of 430 km. Its technology is also cheaper, making it an attractive proposition for the cost-conscious developing and middle-income countries of Asia.

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In 2015, China pipped Japan to the post at the last minute by securing a high-speed rail project in In-

donesia that had been considered by Tokyo to be in the bag. One reason Beijing unexpectedly won out was because China offered to finance the line without any recourse to Indonesia's government coffers. In the years since, the project has stalled following land acquisition problems. Nonetheless, China has also beaten Tokyo to becoming Thailand's partner of choice for its first high-speed rail line, permissions for which were finally granted after a two-year delay.

The battle to export bullet trains is clearly reflective of the broader rivalry between China and Japan for influence in Asia. Consequently, the India deal is not only a business coup for Japan but also a geostrategic one. Former Ambassador of Japan to India and President of the Japan-India Association, Hiroshi Hirabayashi, acknowledged as much. "India is not Indonesia or Thailand. It is a great nation, totally autonomous. And it's not as likely to submit to Chinese pressure," he said of India's decision to go with Tokyo.

### Ironing out the niggles

For Japan, the Mumbai-Ahmedabad contract has been hard-won. It entails a loan worth \$12 billion, at 0.1% interest, to be

paid back over 50 years, taking care of over 80% of the project's estimated costs. Japan will also supplement the financing with a generous package of technical assistance and training.

Yet in India, concerns related to costs, safety and misplaced priorities persist. Tomoyuki Nakano, the Director for International Engineering Affairs of Japan's Railway Bureau, remained confident of ironing these out with some tweaks to the Japanese technology taking into account climatic differences, the possibility of electrical blackouts, as well as dust and other environmental conditions in India. He also pointed out that when Japan developed its first Shinkansen lines in the 1960s, it was a poor country as well that had required loans from the World Bank.

But what about the enormous software or cultural differences between Japan and India? Mr. Nakano was sanguine. "When we had Indians coming here (to Tokyo) for training, I noticed some of them were quite late. But after two weeks in Japan they became very punctual," he concluded.

Pallavi Aiyar has reported from China, Europe, Indonesia and Japan. She is a Young Global Leader with the World Economic Forum

## LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

### A six-day week

As there are a large number of criminal cases and appeals pending in courts, the Chief Justice of the Supreme Court of India, Dipak Misra, is justified in appealing to the Chief Justices of High Courts to explore ways to work on Saturdays ("Can't we work on Saturdays, says CJ", September 12). When some courts have agreed to go ahead with the project, the remainder must follow the lead. This way, most pending appeals are bound to be cleared to the satisfaction of clients and courts. Holidays for festivals and summer must also be cut short. Advocates should also desist from adjourning cases and instead strive to finish arguments soon. Teamwork is a must as far as bringing down the number of pending cases is concerned.

J.P. REDDY, Nalgonda, Telangana

### Children under siege

The incident in Telangana of a teacher punishing a class V student for not wearing

the school uniform by making her stand near the boys' toilet at the school is shocking (September 12). It is unfortunate that the teacher did not have a humane touch as the girl is said to have given the reason of the uniform not being dry after having been washed. There is still widespread belief among teachers that hitting or insulting a child is the best way to ensure obedience and discipline. Harsh steps can have a deleterious effect on the mental health of children. More often than not, when a teacher uses violence on children, it is an outburst of his/her personal frustration.

R. SIVAKUMAR, Chennai

In an era where educational institutions are most often being run on profit motives, it is hardly surprising to witness holistic education taking a back seat and affecting the prospects of students evolving into the most responsible and

conscientious citizens of the country. The gruesome murder of student in a school in Gurugram is not only shocking but also a grim pointer to the lack of regulatory oversight to ensure the safety and security of our children in schools. Schools are more than just temples of learning and their managements must ensure a safe and happy learning environment.

M. JEYARAM, Sholavandan, Tamil Nadu

According to a study, the reasons for the high incidence of child abuse could be poor parenting skills, vulnerability of the child in conditions outside the family environment such as on the street, at work and in institutions, belief in punishment shaping a child and dysfunctional families. Unfortunately in India, there is no separate or exclusive legislation to deal with the problem of extreme forms of child abuse. Perhaps a lack of awareness and open

communication within the family, fear of being stigmatised and not being trusted are what dissuade young victims from speaking up.

VINOD C. DIXIT, Ahmedabad

### A great rivalry

The fascinating tennis story of Rafael Nadal and Roger Federer has only added more punch to modern tennis. Despite being in the autumn of their sporting life, they have proved that they still have the power to outplay younger, talented and stronger contenders. In winning his 16th Grand Slam title, Nadal is all set to make this an exciting match with Federer (Editorial - "Back to the future", September 12).

GREGORY FERNANDES, Mumbai

The two champions have shown the world why they are among the top tennis players. The fact that they are still playing so well is a pleasant surprise especially when the younger crop of players are still trying in

vain to get close to these two giants. Ardent followers of tennis just hope that this dream run continues a lot longer.

ABHIROOP SARKAR, Chennai

### Army recruitment

Every year, thousands of youth from across India try their luck at an open Army recruitment drive in Dehradun. These recruitment rallies are organised every year in the cantonment area of Dehradun. For residents, it is a common sight to find young men occupying almost every square inch in the competition to get the job. There are some who are kind-hearted enough to offer them food and shelter for free, but there are others

who use this as an opportunity to earn some money. The issue is that these rallies are organised for recruitments but does the responsibility of the Army end here? Is it so difficult to put up tents and provide mobile washrooms? One can well imagine the sanitary conditions after these recruitment drives. When no less than the Prime Minister is actively involved in spreading awareness about the need to maintain cleanliness, why does the Army fail to observe these standards? These are the little social issues that need to be addressed.

SHRIVYA GUPTA, Dehradun, Uttarakhand

MORE LETTERS ONLINE: www.hindu.com/opinion/letters/

### CORRECTIONS & CLARIFICATIONS:

In an article titled "The resilience of our liberalism" (Editorial page, Sept. 12, 2017), Ashwani Kumar inadvertently referred to a former judge of the Karnataka High Court as the late Rama Jois. This mistake went unnoticed and the Editor regrets the error.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail: readerseditor@thehindu.co.in; Mail: Readers' Editor, The Hindu, Kasturji Buildings, 859 & 860 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com

THE WEDNESDAY INTERVIEW | SALAHUDDIN RABBANI

# ‘Pakistan should see the blowback from supporting terror’

The Afghan Foreign Minister on how Donald Trump’s new regional strategy hinges on Pakistan’s cooperation, and why India needs to step up involvement

SUHASINI HAIDAR

Welcoming the Trump administration’s new Afghanistan policy, Afghanistan Foreign Minister and former Chairman of the High Council of Peace, Salahuddin Rabbani, says it is time for a regional approach to ending the conflict in Afghanistan. In an interview to The Hindu while on a visit to New Delhi to attend the Strategic Partnership Council meet between India and Afghanistan, Mr. Rabbani indicated that it is not just important for Pakistan to tackle terror, and development assistance from India to continue, but for Russia, Iran and China to be part of the solution too. Excerpts:

Your visit marks the first high-level meeting between India and Afghanistan since U.S. President Donald Trump announced his South Asia policy for Afghanistan, which your government has welcomed. What are your hopes from it?

■ We have welcomed it for several reasons. Firstly, it is not a time-based approach, it is a condition-based approach. Secondly, it addresses the core of the problem, which is the safe havens (for terrorist groups). We have always said that the effective fighting doesn’t take place inside Afghanistan. If you want to really fight against terrorism, then that fight isn’t in the villages of Afghanistan, you have to fight those who finance them and train them too. That’s why this strategy is different, because it addresses that. We also have welcomed that this policy focuses on a political solution. There has to be a negotiated settlement.

But U.S. leaders have spoken about the safe havens before, referred to “snakes in the backyard”. Both President George W. Bush and President Barack Obama warned Pakistan to shut down safe havens too. Why are you hopeful this will change now?

■ I very much hope that this will work now, because it takes account of the regional consensus on the issue. In the fact, it also invites India

to take part in Afghanistan’s development. This is something India has already been doing and we are very grateful for that. India has been very active for the past 17 years and even before that, so it is important that is now being recognised. Then the focus on the peace process and the condition, not time-based, approach gives it a higher chance of success than previous (U.S.) policies.

Last year saw the highest civilian casualties in Afghanistan. What is needed to bring the violence down?

■ I think parallel to the reconciliation process, the training of Afghan security forces (ANSDF) and equipping them is the most important thing we needed. The human cost of this conflict has been too much in the last few years. Next is to put pressure on those countries that support the terror groups that come and commit violence in Afghanistan.

Specifically, what would you like India to do?

■ Well, our strategic partnership is very important, and includes political and security cooperation. So we very much hope that India continues to help our security forces with equipment and training, and we are glad India will continue to train Afghan cadets in India. But we hope also that India, as a good friend of other countries in the region like Russia and Iran, can convince those



Y. SUBRAMAN

countries to work with the Afghan government to support the peace process.

In terms of security, India trains a few hundred forces each year, and has provided four helicopters. Is that enough?

■ We are grateful for what India has done so far, and we do hope it will provide more equipment as we have been asking. Of course, it is not enough, but the helicopters have been very important. It was a crucial time at which we needed them, and India was the first country to come forward and deliver them to us. In accordance with the strategic partnership, we also have regular consultations between the intelligence services (the National Directorate of Security and the Research and Analysis Wing) of the two countries.

Do you think Mr. Trump’s policy will change Pakistan’s behaviour on safe havens and support to terror groups?

■ I think it is in the interest of any country that thinks of using terrorism as an instrument of state policy, to change that policy. They should see the blowback, how their security forces are

reaching a resolution on the Kashmir issue, that will somehow help the situation in Afghanistan. Do you subscribe to that view?

■ I think Kashmir and Afghanistan are two very separate issues and I don’t see any link between the two. As an independent country our relations with other countries are separate from each other. I think the latest statement at BRICS also denotes a realisation that even countries close to Pakistan must take this issue seriously, safe havens should be shut down.

You spoke to the Pakistan Foreign Minister a few days ago, after he said there was a need for this sort of change. Do you think this is a serious effort?

■ I had a brief telephone conversation with the Pakistan Foreign Minister (Khawaja Asif) where he confirmed that we would be meeting on the sidelines of the UN General Assembly this month. Of course I have noted that there is a change in Pakistan, after the recent [U.S.] policy announcement, but that remains to be seen on the ground. If they are

Do you think cutting aid to Pakistan or sanctions are the next step?

■ It is for the U.S. to decide, but also for Pakistan to be realistic and change focus to bringing stability to Afghanistan. A peaceful and stable Afghanistan is in Pakistan’s strategic interest as well.

The Trump administration has also suggested that India should “do more” for dialogue with Pakistan, suggesting that if the two

really changing, we would know.

What is the role of China, which has a \$50 billion interest in the China-Pakistan Economic Corridor as well?

■ China and Pakistan have been strategic friends for some time and are very close. So we think China can use its influence on Pakistan to change its policy and to support the peace process in Afghanistan.

Is the India-U.S.-Afghanistan partnership the way forward? It seems as if everything else has been tried since 2001...

■ You can call it a partnership or an alliance – if it is for peace and stability which I think it is, no one should have any worry about it. If India can help us in development and security, that should be welcomed.

You mention the peace process in Afghanistan. But in the last few years most peace processes are run from outside Afghanistan: the Moscow process, the Quadrilateral Coordination Group (QCG), the Doha process...

■ We welcome any initiative that supports peace in Afghanistan. But that must be in support of the main track, which is the High Peace Council that was set up for this purpose. So any initiative has to support the Afghan-owned and Afghan-led processes.

You headed the High Peace Council, taking over in tragic circumstances following the assassination of your father Burhanuddin Rabbani. Do you think it has made any progress?

■ It may not have yet made a big impact or change, but it

has made progress. The number of armed groups to have now joined the peace process is more than 2,000. Any soldier who leaves violence and joins the peace process is positive. If it is left to the Afghans alone, we will succeed. But Afghan terror groups that are based outside our country can come under pressure from outside influences. Even so, many of those are reaching out to us.

Has Pakistan helped at all?

■ Pakistan has said it would on many occasions, but it hasn’t delivered on this promise. The QCG began very well as a mechanism. We managed to finalise a road map, but then the delivery faltered. If Pakistan still decides to deliver, they are in a position to do so.

To turn to ties with India, why did it take so long to hold the second meeting of the Strategic Partnership Council when the first was held in 2012 and it was meant to be an annual event?

■ Yes, it was supposed to be held annually, but then got held up for technical reasons. At one stage we were looking forward to holding the meeting in Kabul, but then the health of (External Affairs Minister) Sushma Swaraj was not good. Now we hope to meet more often, at least every year.

The past few years have seen no new big projects being talked about, on the scale of the parliament building, Zaranj Delaram highway, or Salma dam. Whose decision is that: India’s or Afghanistan’s?

■ We always welcome any kind of development assistance from our friend India, whether it is big or small. We would like bigger projects, but our New Development

Project (NDP) initiative that sees smaller projects is also very important. I met Prime Minister Narendra Modi and spoke about what we call the “third era” of our development cooperation, after large-scale infrastructure projects like parliament, etc. and the small development projects have been completed. Now we are looking at the Shahtoot dam, and Kabul water supply projects, low-cost housing for returning refugees in Nangarhar, irrigation projects as a part of the NDPs.

What’s next?

■ We also want to look at regional connectivity for trade prospects, and are very keen on the development of Chabahar project in Iran as an alternative route for trade. In Afghanistan, we would like India to invest in railway projects too. There have been some delays in Chabahar, but I don’t think there are many big obstacles.

The need for an alternative route arises because of the obstacles from Pakistan in fully implementing the Afghanistan-Pakistan Transit Trade Agreement (APTTA). Have you made any headway in talks with Pakistan on giving India access?

■ Afghanistan has always wanted to include India in APTTA. We have told Pakistan it is in their interest too, and just as they want to have access to Central Asia, we would like to access the Indian market. We would be happy to extend the APTTA to a Central Asian country (Tajikistan) if they would bring India in. We have also signed the Motor Vehicles Agreement with India during this visit, which is an expression of our good intentions, and we hope India and Pakistan will work out this issue some day.

SINGLE FILE

## Guardian of Afghan culture

Thanks to Nancy Dupree’s work, Afghans may still be able to recall some part of their past

C. UDAY BHASKAR



On September 3, Afghanistan bid tearful adieu to its much-loved American ‘grandmother’, Nancy Hatch Dupree. For a country divided over a range of issues, Kabul residents were united in their sorrow over the demise of a remarkable historian-archivist-activist, who single-handedly saved a small part of Afghanistan’s rich and ancient heritage.

Born on October 3, 1926, Hatch spent her early years in the erstwhile kingdom of Travancore, Kerala, where her father was an adviser to the Maharaja. Her mother, a Broadway actress, was drawn to Indian art and theatrical dance forms and embarked on the first PhD on Kathakali by a foreign scholar.

The young Hatch did her master’s in Chinese art at Columbia University, but her life was linked to southern Asia in an inexorable manner. First married to an American intelligence officer, Alan D. Wolfe, posted in what was then called Ceylon, she later moved with her husband to Iraq, then Pakistan, and finally Afghanistan in 1962.

The Kabul of 1962 was often described as the ‘Paris of the East’ with its cosmopolitan ethos. It was in this milieu that Nancy found the love of her life – personally and professionally. While researching the Bamiyan Buddhas (destroyed by the Taliban in 2001), she met an American archaeologist, Louis Dupree. They had a torrid affair that initially scandalised the local elite, but was soon sealed in marriage.

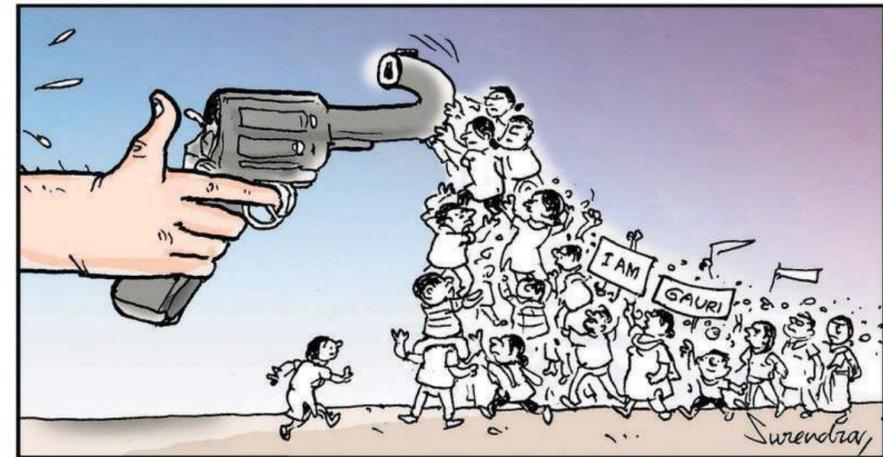
With Louis, Nancy immersed herself in her professional calling – a deep love and respect for Afghan history and culture. From the mid-1960s till her demise, she authored five books and scores of articles and pamphlets that she modestly described as guide books, on different aspects of Afghan art and culture with a focus on the Bamiyan Buddhas.

Paradoxically, her life overlapped with the many vicissitudes that befell Afghanistan – the Soviet invasion in 1979, when her husband was briefly imprisoned and the couple was forced to return to the U.S.; 9/11; and the Karzai-Ghani years that marked the beginning of the slow and halting reconstruction of the ‘graveyard of empires’.

In this tumultuous period, Dupree set herself the task of saving as much of Afghanistan’s heritage as was possible, the richness of which she had learnt from her husband who died of cancer in 1989. The manner in which a 70-plus Dupree resorted to cloak-and-dagger methods to salvage the artefacts and documents from Afghanistan to Pakistan – and back – is part of the folklore associated with this daring ‘grandmother’.

Returning to Afghanistan after the fall of the Taliban, Dupree set up the Society for the Preservation of Afghanistan’s Cultural Heritage, which was later converted into the Afghanistan Centre at Kabul University. It now has over 100,000 documents and exhibits. At the time of her demise, the intrepid Dupree was archiving photographs taken over the last half century. Thanks to her lifelong commitment, young Afghans may still be able to recall some part of their past, which is sadly being looted or destroyed.

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CONCEPTUAL  
Open interest

A financial indicator that shows the total number of outstanding contracts to either buy or sell a stock, or any other security, in an exchange at a particular point in time. It is commonly followed by traders to get an idea of funds likely to flow either into or out of the market. A jump in open interest is generally considered to strengthen the prevailing market trend, irrespective of whether it is a bullish or a bearish one. It requires market participants to enter into new contracts instead of simply trading existing contracts back and forth between them. A fall in open interest, on the other hand, is said to indicate a possible change in the present trend.

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NOTEBOOK

### A long acquaintance

For Gauri Lankesh, journalism and activism could be separate

MURALIDHARA KHAJANE

The first time I met Gauri Lankesh was through her father, the famous writer and editor P. Lankesh, who was incidentally from my home town, Shivamogga. In the three decades since, she had come out of her father’s shadow and become a noted journalist and activist. It was only when she was establishing her father’s paper that we interacted often. But it was in 2004, when I was a reporter in Hassan district, that I saw Gauri Lankesh, the journalist, in action.

A handful of us were taken deep into the Western Ghats to interview Saketh Rajan, who was leading the Maoist movement in south India. It was an arduous journey, but despite her small frame Lankesh recorded every little detail.

When we met Rajan, Lankesh wanted to know why the movement would take up arms against the state. Her questions were

incisive, critical, and fearless. When we left at night, anxious and exhausted, she asked me to sing a song from her father’s film (*Ellindalo Bandavaru*, which centred around the struggles of a labourer). It made her emotional.

A year later, I saw Lankesh, the indefatigable activist. This was at the height of controversy over the Sufi shrine at Baba Budangiri. Many groups had started a campaign to “restore” it as a temple. The police was present in full force, ready to arrest Lankesh and other activists who had publicly called for protests against the Bharatiya Janata Party and the Sangh Parivar.

Lankesh managed to sneak into the district, but was eventually arrested. I met her in jail, where she was kept for a day. It was a chilly morning and she was unwell. I offered her a coat and left to cover the scenes of protest at the shrine. Though disappointed that she missed out on

the protests, Lankesh never used her status as a “journalist” for her activism. For her, the two worlds could be separate.

Over the last few years, both of us made Bengaluru our base and we kept in touch about Kannada literature, films, and politics. I often disagreed with Lankesh, but we argued because we felt the other could be convinced. Sometimes, she would relent and change sides if the other person was convincing enough.

Our last, long conversation was earlier this year, when she wanted to know my opinion on *Uttara Kanda*, Kannada writer S.L. Bhyrappa’s latest book.

I was surprised that she liked it; she had been one of his most bitter critics. I had problems with the narrative, but she felt that the writer had finally inculcated feminist views on Sita. We argued, and finally decided that it was best if we agreed to disagree.

FROM The Hindu. ARCHIVES

FIFTY YEARS AGO SEPTEMBER 13, 1967

### Foreign aid for some more years

The Deputy Prime Minister and Finance Minister, Mr. Morarji Desai expressed the belief to-day [September 12] that given a satisfactory inflow of foreign aid over the next 10 or 12 years India could dispense with all further foreign assistance. In his first public address since arriving in this capital, Mr. Desai told a National Press Club luncheon audience that meanwhile neither the U.S. nor India could afford to get tired when the goal of Indian self-sufficiency was reasonably in sight. Mr. Desai sought to assure his American hosts that India did not look upon aid as a crutch or a substitute for domestic efforts. He also tried to remove the impression arising from reports appearing in the world press that in recent months India was alternating front crisis to crisis.

A HUNDRED YEARS AGO SEPTEMBER 13, 1917

### Postmen’s grievances.

The Bombay postmen numbering over nine hundred through their Solicitors have sent in a representation to the Director General of Posts and Telegraphs setting forth a number of their grievances and have requested the Director-General to declare his decision within four days to avoid grave situation and disturbance which are otherwise inevitable. Among other matters the postmen complain that the recent developments in the city with its many-storied castles and additional buildings were giving too much strain to them and they therefore pray that the number of postmen be reasonably increased to give them some relief and they be provided with hand-lamps for carrying out their duty during darkness. They ask their duties might be reckoned on eight hours a day basis for extra work and on holidays extra wages and in case of transfers in local divisions for extra allowance. In view of the inconvenience caused by putting on pants and bandages the men suggest some superior or adaptable type of dress or permission to put on dress of their own choice. They further submit that half-pay might be given for a period of sick leave pension after 20 years’ service in case they are medically declared unfit and in other cases after 25 years.

DATA POINT

### On the fast track

High-Speed Rail (lines with a maximum velocity > 250 km/hour) is expected to arrive in the 505-km Mumbai-Ahmedabad rail corridor in 2023. A country-wise look at high-speed rails in operation across the world shows China leading by a mile

Country	Lines in Operation*	Country	Lines in Operation*
China	26,783	United States	362
Japan	3,041	Taiwan	354
Spain	2,938	Poland	224
France	2,696	Belgium	209
Germany	1,475	Switzerland	144
Italy	981	The Netherlands	120
Turkey	688	United Kingdom	113
South Korea	657	Austria	48

SOURCE: INTERNATIONAL UNION OF RAILWAYS (DATA AS OF SEPTEMBER 1ST 2017)