

Not worth the hype

Evidence has already piled up to indicate that organic foods are no better than those produced through regular agriculture



FARM VIEW

SURINDER SUD

Does organic farming offer many health and environmental benefits? Maybe not. Evidence has already piled up to indicate that organic foods are no better than those produced through regular agriculture. Studies now show that it may not be all that advantageous for environment as well. A research report published in the

latest edition of the prestigious journal *Nature* claims that organically grown food results in higher emissions and causes bigger climate impact than conventionally farmed food. Even organic meat and dairy products are worse than their normally produced equivalents from climate impact viewpoint.

Nature's article, titled "Assessing the efficiency of changes in land use for mitigating climate change", is based on the study carried out at the Chalmers University of Technology, Sweden, using the crop yield data from the Swedish Board of Agriculture for 2013 to 2015. It attributes the adverse environmental effect of organic food to greater land required to produce the same quantities. No doubt, the direct carbon emissions from organic agriculture are typically lower than those from conventional farms, but the overall climate footprint is much higher because the

use of more land contributes indirectly to greater deforestation, the researchers maintain. Significantly, they found that growing peas organically did 50 per cent more damage to the climate than producing them in the normal way. Such impact of wheat was even worse — at 70 per cent.

This apart, more scientific evidence is also emerging to discount the nutritional superiority of organic products. The initial credence to this effect had come in 2009 from a meta-analysis (a study of other studies) which found no nutritional difference between organic and other products. This conclusion has subsequently been endorsed by other studies, including a bigger 2012 meta-study involving 240 published research reports on this subject. It found hardly any variation in organic and non-organic foods in terms of vitamins, proteins and fat contents.

There were, however, hints of marginally higher content of phosphorous in a few products and slightly higher levels of omega-3 fatty acids in organically produced milk.

Taste-wise, too, the organic and non-organic foods are not too dissimilar. According to the United States Department of Agriculture (USDA), while some people say they can taste the difference between the two kinds of foods, the others find no distinction. "Taste is a subjective and personal consideration", the USDA points out.

The merits and demerits of organic farming aside, plant scientists generally believe that it may not be possible to revert back to totally chemicals-free farming now. The late Nobel Laureate, Norman E Borlaug, hailed as the father of the Green Revolution that helped many countries, including India, to become self-sufficient in food, often used to say that the problem of hunger cannot be solved by organic farming alone. If the needed food was to be produced organically, it would require not only more land, which is just not available, but also massive amount of organic manure, which would be nearly impossible to arrange. "The plant roots

absorb nutrients in ionic form. It does not matter for them whether these nutrients come from an organic or inorganic source," he often argued.

The basic problem with non-organic agriculture is not so much the fertilisers as the toxic pesticides, especially their indiscriminate and improper use without observing the prescribed precautions. If this aspect is taken care of, through whatever means, many of the objections to modern farming would get resolved.

All this argumentation is, indeed, not meant to denigrate organic farming which has several plus points, especially concerning the physical health and the biological and micro-nutrient profile of the soils. It is chiefly to put this mode of agriculture in the right perspective by clearing certain misconceptions about it. Those who can afford and are willing to pay higher prices for organic products should be welcome to do so. Organic farming, too, needs to expand to cater to this niche market. But regular, chemical inputs-based agriculture is indispensable to meet the burgeoning demand of farm products from steadily diminishing land.

surinder.sud@gmail.com

CHINESE WHISPERS

Bhai bhai

Opposition parties on Monday were upbeat with the Samajwadi Party (SP) and the Bahujan Samaj Party (BSP) members joining forces in the Rajya Sabha. The two parties, with a significant trust deficit, have sealed an alliance for the 80 Lok Sabha seats of Uttar Pradesh. The SP and BSP members, supported by other Opposition parties, protested a CBI probe against SP chief Akhilesh Yadav on alleged illegal mining. The Rajya Sabha was adjourned repeatedly because of the protests. Rare as it was, SP leader Ram Gopal Yadav and the BSP's Satish Chandra Mishra later held a joint press conference.

Nervousness in MP Congress



The first session of the newly elected Madhya Pradesh Assembly began on Monday. A day before, the ruling Congress alleged that the Bharatiya Janata Party (BJP) was indulging in horse-trading. On Sunday, Minister for Higher Education, Sports and Youth Affairs Jitu Patwari told the media that the BJP had reached out to several Congress MLAs. Former chief minister Digvijaya Singh (pictured), too, raised the same concern. While the BJP denied the allegations outright, some nervousness was evident in the Congress camp. Chief Minister Kamal Nath scurried off to meet disgruntled MLAs. He met independent MLAs Surendra Singh aka Shera Bhaiya (Burhanpur) and Kedar Dawar (Bhagwanpura), who were demanding a cabinet berth. A pacified Surendra Singh later said, "I had to put pressure (on the ruling Congress) because only the crying baby gets milk."

Patnaik ups the ante

Odisha Chief Minister Naveen Patnaik has upped the ante against the government at the Centre. On Tuesday, Patnaik will lead his government's ministers, party legislators and Members of Parliament in a protest to demand an increase in minimum support price, or MSP, of paddy. Patnaik leads the Biju Janata Dal, which has ruled Odisha for the last 18 years. The Bharatiya Janata Party (BJP) has emerged a serious challenger in the state, focusing on winning a majority of the state's 21 Lok Sabha seats in 2019. Prime Minister Narendra Modi has made several visits to the state in the last couple of months and announced key infrastructure projects. A worried Congress has accused Patnaik of being in a secret deal with the BJP.

Ready and waiting

Drones are a classic example of technology overtaking regulation and this problem will likely recur



TECH-ENABLED

DEVANGSHU DATTA

Between December 19-21, 2018, Gatwick Airport was plagued by drones flying into controlled airspace. Some 1,000 flights had to be cancelled, inconveniencing 140,000 passengers. Luckily, there were no collisions. The airport authorities asked the Royal Air Force to deploy anti-drone equipment.

The two busiest British airports, Gatwick and Heathrow, have since spent millions of pounds, buying anti-drone systems to stop this happening again. The police are investigating to try and find the perpetrators.

Drones are a classic example of technology overtaking regulation and this problem will likely recur. Many different drone models are available off the shelf at reasonable prices. A teenager could save up her pocket money and build a working drone with off-the-shelf components. No new infrastructure is necessary — you need only dry cells, or lighter fluid, and remotes.

There is no way to restrict such cheap ubiquitous technology. Even highly authoritarian governments like China have not tried. There are multiple drone use-cases for businesses and hobbyists,

and for civilian government purposes.

For example, Geographical Information Systems use drones for mapping. Municipal agencies survey power lines, sewage systems and buildings. Crop spraying is done via drones. Japan used drones to assess damage in and around the Fukushima nuclear plant after the tsunami. Drones have been used in California, to fight forest fires, spraying water.

Other potential uses include package and food delivery. More ambitiously, short-range air taxi services (50 prototype air-taxis exist and Uber has a drone division) and emergency air-ambulance services could develop.

There are also multiple uses for military and security agencies. These range from surveillance, to tear-gas spraying on crowds, to missile and bomb delivery. There are unconfirmed reports that India's defence establishment is committed to R&D for developing 40 different kinds of drones!

The SESAR (Single European Sky Air Traffic Management Research) — a publicly funded EU think-tank says that drones could contribute 10 per cent of the EU's aviation market by 2050, worth \$15 billion a year and creating about 150,000 jobs. America's FAA (Federal Aviation Administration) estimates Americans will own 4 million civilian drones by 2022.

Some dangers are obvious. In 2018, the number of dangerous incidents when civilian drones put passenger flights at risk shot up 168 per cent. Drones could also be used by terrorists to bomb targets and carry out assassinations. Explosive drones are said to have been used to attempt the assassination of Venezuela's president, Nicolas Maduro, and also supposedly, to attack Abu Dhabi airport.

THE DRONE PLAYBOOK

DRONES LAWS IN INDIA

- All drones above 250 gm (0.25 kg) must be registered, with a unique ID number
- Maximum weight without drone registration: Nano drones under 250 gm (0.25 kg)
- Maximum weight without operator permit: Under 2 kg
- Maximum height without permit: Under 50 feet (for Nano). Under 200 feet for under 2 kg

OTHER RULES

- Flight may only be conducted during the daytime or within well-lit indoor premises
- The operator must maintain visual line of sight
- A remote pilot may operate only one drone
- Payloads may not consist of humans, animals or hazardous objects
- Drones may not operate within 5 km of the perimeters of the airports in Mumbai, Delhi, Chennai, Kolkata,



Bengaluru and Hyderabad and within 3 km from the perimeter of any other airport.

- Drones may not operate within 25 km of international border
- Drones may not operate within 500 metres of shore, over the sea
- Drones may not operate within 3 km of military bases
- The operator must be stationary, not in a moving car, aircraft or boat
- National Parks and Sanctuaries are off-limits (permission to fly may be granted)

Gatwick's "Dronegate" shows how easily one of the First World's busiest airports could be shut down just by flying drones into critical airspace. An automatic rifle like the AR15 costs upwards of \$700 in places where it can be legally bought. A drone, which could potentially be more lethal, if loaded with an improvised explosive device, can be bought off the shelf for less than half that.

Regulating effectively, to allow for legitimate use, while minimising chances of accidental disaster, or deliberate misuse, is hard. Regulators are drafting rules,

which will inevitably need updation as usage grows and technology improves.

India is one of many countries which has hastily updated its drone regulations. From December 1, 2018, the government bit the bullet and allowed for more liberal use of drones. Unfortunately some of the "liberalised" regulations still seem unrealistic.

Globally, drone regulation runs on similar lines. There are restrictions on weight, and operator licences and registrations of drones are required to fly drones above a certain weight. There are

ON THE JOB

11 million jobs lost in 2018



MAHESH VYAS

India's unemployment rate shot up to 7.4 per cent in December 2018. This is the highest unemployment rate we've seen in 15 months. The rate has increased sharply from the 6.6 per cent clocked in November. The climb to 7.4 per cent also indicates that the small fall in the unemployment rate seen in November was possibly an aberration in a trend that indicates a steady increase in the unemployment rate.

The 30-day moving average of the unemployment rate had climbed up much ahead by January 6, to 7.8 per cent.

The count of unemployed has been increasing steadily. Over the year ended December 2018, it increased by a substantial 11 million. Correspondingly, the count of the employed is declining. In December 2018, an estimated 397 million were employed. This is nearly 11 million less than the employment estimate for December 2017.

This is a very large fall in employment. Note that the sample of December 2018 is broadly the same as the sample of December 2017. Therefore, the difference in employment is not because of a difference in the sample.

Nevertheless, a word of caution is in order here. First, the employment/unemployment statistics for September through December 2018 are preliminary. Final estimates would be released by the end of January 2019. Second, much of the discussion that follows is based on monthly estimates

which are based on a sample of about 140,000 respondents. These will contain a margin of error that can be reduced in a discussion that is based on the full sample of a Wave, which is of the order of 550,000. We would do this in February 2019.

Employment estimates have been volatile in the recent four months (September to December) when month-over-month employment estimates have increased or declined by 5-7 million. The trend, nevertheless, is of a steep decline.

The decline in employment began 13 months ago, in November 2017. Employment declined in each of the nine months between November 2017 and September 2018. Employment is estimated to have fallen by 10.3 million during this period. And, in the volatile last four months, it fell by another 2.2 million.

The distribution of this sharp fall in jobs in 2018 by various attributes of the working population can provide us some insights into the nature of this loss of jobs. All the data discussed below is available in the Employment and Wages chapter of the Statistics section of CMIE's *Economic Outlook* service.

During 2018, there were job losses in both, rural and urban India. But, the loss in rural India was a lot bigger than in urban India. An estimated 9.1 million jobs were lost in rural India while the loss in urban India was 1.8 million jobs. Rural India accounts for two-thirds of India's population, but it accounted for 84 per cent of the job losses.

A fall in employment is usually concentrated among women. We saw this in the aftermath of demonetisation. The entire brunt of that fall was borne by women. In 2018, women bore the major brunt of the fall in jobs, but were not alone this time.

Of the 11 million jobs lost, women lost 8.8 million jobs and men lost 2.2 million. Urban men did not lose jobs.

On the contrary, they gained half a million jobs during 2018. But, rural men did lose 2.3 million jobs. Women lost jobs in both urban regions (2.3 million) and rural regions (6.5 million).

The impact of job losses in 2018 cut across a large number of age groups. Only the relatively senior middle-aged to senior age groups escaped the fury of shrinking jobs in 2018. Jobs of the age groups between 40 and 59 years did not shrink. All other age-groups saw a shrinking of jobs.

And, the hit was taken entirely by the uneducated. All other categories of maximum education level saw an increase in employment. But, this was not sufficient to offset the loss of jobs among the uneducated. It is possible that several uneducated graduated to some education during 2018 and did gain jobs and the count of the uneducated itself declined. But, it is also possible that the uneducated have lost jobs. The uneducated accounted for 10 per cent of all employed persons in December 2017. Their share has fallen rapidly.

Job losses are also concentrated among wage labourers, agricultural labourers and small traders.

So, the break-up of employment statistics by the various attributes of respondents discussed above tells us that a person who lost the job in 2018 mostly fits a profile like: is a woman, particularly a woman in rural India, is uneducated and is engaged as a wage labourer or a farm labourer or is a small-scale trader and is aged either less than 40 years or more than 60 years.

This is the profile of the relatively vulnerable. There is one more possible attribute of job losers in 2018 — the salaried employees. Salaried employees lost 3.7 million jobs in 2018.

That makes a rather sombre reading for the year we just got past.

The author is managing director and CEO, Centre for Monitoring Indian Economy P Ltd

LETTERS

Waiting for signals

This refers to "Lighten up equity portfolio" (January 7). While the article says that the next coalition government has more hope for reforms regardless of who leads it, I think it will be important to analyse what reforms may be actually possible. Typically, reforms are carried out when they do not jeopardise the politicians' vote banks and when they are agreed upon by all members of the coalition. Politicians get popular by creating more opportunities and get stronger through more funding from those who gain from those reforms.

The previous reforms came in sectors such as telecom and IT and even others that helped in opening up the economy. Those reforms were already late but they easily formed the least common denominator of their times. The next set of reforms are possible in the fields of labour, manufacturing, land acquisition, banking, privatisation, civil services, health, education, agriculture and taxation but each comes with a different challenge.

For instance, labour reforms make unions, the vote banks, insecure. Manufacturing is heavily state-driven and linked to land acquisition, which makes farmers insecure. Banking reforms were good but the government's ability to arm twist the Reserve Bank of India on monetary policy, instead of solving structural issues, exposed it.

The next Budget may be a good indicator/signal from the Modi government. The only issue I see with the government is its inability to quickly identify the least common denominator and then implement them all the way. I only expect taxation-related reforms in the upcoming Budget.

NPA movement crucial

This refers to the editorial "Two steps forward, one back" (January 4). Notwithstanding the decline in the gross non-performing assets to 10.8 per cent as of September 2018, from 11.5 per cent as of March 2018, banks in general and the government-owned ones in particular are still

not out of the woods. The pressure of bad assets is hampering the growth of the returns on the assets and restricting the lending activities. These have cascading implications on the economy.

In the wake of the bad loan crisis of the public sector banks, the movement of the non-performing assets is paramount as it is crucial to the cost of credit. The down-



ward movement of the assets from the standard to loss category is associated with rising credit costs due to the need for increased provisioning. The provision coverage ratio escalates in consonance with the slippages and ageing of the assets. Therefore, lenders have to remain proactive to control and arrest slippages of the assets to lower grades. In the case of the state-owned lenders, a lot of rejigging is essential to further improve the credit appraisal, particularly relating to risk assessment and cash flows of long-gestation projects. Professional asset-liability management is essential to control funding of the long-gestation projects.

Restricting fresh lending is not the remedy to avoid bad loans. Lending is

one of the primary objectives of banks and must flow without break to ensure investment. The one-time restructuring of the stressed assets of the micro, small and medium enterprises segment is a big relief to the cash-crunched sector but the restructuring should not be for accommodating the borrower as was in many cases involving corporate loans. The restructuring must be scrupulous and purposeful to make the unit feasible and to protect the interest of the lender.

VSK Pillai Kottayam

A dangerous move

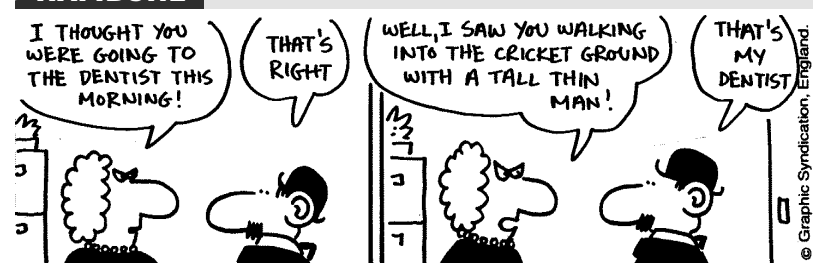
The West Bengal government is denying permission to the Bharatiya Janata Party's proposed *rath yatra* in all the 42 parliamentary constituencies as it may lead to law and order problems. The Calcutta High Court has gauged the agenda of the organisers of the *yatra* and has rightly refused permission for the same. One only hopes that the Supreme Court will also appreciate the concerns of the state government and deny permission for the *rath yatra*. The government has failed to deliver on its promises to the masses and this is a last-ditch effort by the RSS-BJP combine to woo people by playing the Ayodhya card yet again.

Shalini Gerald Chennai

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.

HAMBONE

BY MIKE FLANAGAN



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