



## The Jharkhand way

The Opposition would do well to focus on State-level coherence in alliances

The Congress's alliance with three regional parties in Jharkhand fits a template that could make it enduring. The Jharkhand Mukti Morcha, the Jharkhand Vikas Morcha (Prajatantrik) and the Rashtriya Janata Dal have joined hands with the Congress in Jharkhand, a State that sends 14 MPs to the Lok Sabha. The seat-sharing agreement gives seven seats to the Congress, four to the JMM, two to the JVM and one to the RJD. In turn, the JMM gets a larger share of seats in the Assembly election, that will also take place in 2019. In the 2014 Assembly election, the BJP won the State with 31% of the vote. Collectively, constituents of the new alliance got 47% of the vote. Alliances don't only turn on arithmetic. What makes this alliance potent is the synergy among its partners, with ground reports indicating that workers of these parties have developed a certain comfort level with one another. Collectively, they have command over all the regions, and appeal to all social groups of the State. As much as a third of the State's population is tribal, and the alliance is expected to reach out to this section. These factors explain the sweep that the alliance of the Congress, the JMM, the RJD and the CPI had in 2004. That was the last time Jharkhand had a rainbow alliance – it won 13 of the 14 seats, while the BJP won only one seat, Koderma.

State-level alliances will hold the key in the election this year. A countrywide alliance involving vote transfer from one regional party to another is impractical. A national grand alliance against the BJP will be more optics than substance. In Uttar Pradesh, the alliance between the Samajwadi Party and the Bahujan Samaj Party has unsettled the BJP, while the Congress's efforts to assert its own space by introducing Priyanka Gandhi Vadra as a front-line campaigner has opened up the field to further possibilities of political realignment. Regional parties function with their focus primarily on local power calculations, and an appreciation of that factor by regional leaders and the Congress can be the basis of stronger bonds. The confusion in the non-BJP camp in Uttar Pradesh is partly due to the lack of appreciation on this point, while the contrasting picture of synergy among them in Bihar and Jharkhand is driven by an acknowledgement of mutual interests. While chemistry and arithmetic are both important, potential participants in a non-BJP coalition must also be mindful of optics. Regional leaders hopping around to make a show of a nascent grand alliance may not add up to much, even as they render it vulnerable to attacks – of the sort lobbied by Prime Minister Narendra Modi when he termed it a Mahamilavat, or grand adulteration. They will do better by staying grand, and staying regional.

## Nigerian renewal

Muhammadu Buhari's mixed record in office makes the presidential contest an open race

As Nigerian President Muhammadu Buhari seeks re-election, his mixed record on the economy and security fronts has made for a close contest. Nigeria, Africa's biggest oil-producer, has barely recovered from a recession following the 2014 global slump in crude prices. The government claims to have curbed inflation, though it is in the double digits. Unemployment, which has climbed to over 20% since Mr. Buhari took office in 2015, could hurt his prospects among a predominantly young population. The adverse sentiment from the current grim global climate for foreign investment may have been compounded by the negative signals emanating from the billion-dollar fines slapped on the region's telecom giant. Last year Lagos declined to join the African Continental Free Trade Area after steering negotiations among the 55 African Union states. The decision dealt a blow to the prospects of transforming Africa into an open and diverse economy, and strengthened the perception that Nigeria was not doing enough to move away from its dependence on oil wealth. In the prevailing atmosphere of rampant institutional corruption dating back decades, Mr. Buhari's image as a morally incorruptible leader held sway with a disillusioned electorate during the 2015 polls. That reputation is still intact. But the former army general now seems politically vulnerable following electoral reverses in the provinces last year. More worrisome for him would be the defection of several members of the ruling All Progressives Congress party to the Opposition People's Democratic Party. The most prominent of them is Mr. Bukhari's main challenger in the presidential race, Atiku Abubakar, a two-term former vice president. The suspension of Nigeria's chief justice on corruption charges last month has raised apprehensions over respect for the popular will in Nigeria. Besides many Western governments, Mr. Abubakar has cautioned the President against electoral interference.

On the security front, Mr. Buhari has had moderate success in pushing back Boko Haram, the Islamist terrorist organisation that gained notoriety some years ago for the shocking disappearance of 200 children. But the group continues to resort to acts of kidnapping and massacre in its stronghold in the northeast. Meanwhile, even as the violent conflict between farmers and herdsmen festers, concerns have been raised about the lack of equipment for the security forces. A new law passed last year lowering the age to run for public office, could make for a more inclusive democracy. But until the financial entry threshold to the political arena is lowered significantly, such laws will have little impact on the ground. Nevertheless, for a country blighted by bloody dictatorships for many years since the end of colonial rule, the coming polls should inspire confidence in the gradual strengthening of its nascent institutions.

# Surveying India's unemployment numbers

India's labour participation rate, very low by world standards, fell sharply after demonetisation. Women bore the brunt



MAHESH VYAS

Monthly measurement of the unemployment rate is one of the requirements of the Special Data Dissemination Standard (SDDS) of the International Monetary Fund (IMF). The SDSS – India was one of the early signatories – was established in 1996 to help countries access the international capital markets by providing adequate economic and financial information publicly. India complies with many requirements of the SDSS, but it has taken an exception with respect to the measurement of unemployment.

The Government of India does not produce any measure of monthly unemployment rate, nor does it have any plans to do so. Official plans to measure unemployment at an annual and quarterly frequency is in a shambles. This does not benefit India's claims to be the fastest growing economy and as the biggest beneficiary of a famed demographic dividend.

The Centre for Monitoring India Economy (CMIE), a private enterprise, has demonstrated over the past three years that fast frequency measures of unemployment can be made and that seeking an exception on SDSS compliance is unnecessary.

### Higher frequency survey

The CMIE decided to fill India's gap in generating fast frequency measures of household well-being in 2014. In its household survey, called the Consumer Pyramids Household Survey (CPHS), the sample size was 172,365 as compared to that of the official National Sample Survey Organisation

(NSSO), which was 101,724. In both surveys, the sample selection method has been broadly the same.

The CPHS is comprehensive, surveying its entire sample every four months. Each survey is a wave. The CPHS is also a continuous survey, and so, for example, three waves are completed in a year. The CMIE's CPHS thus has a much larger sample and is conducted at a much higher frequency than the NSSO's.

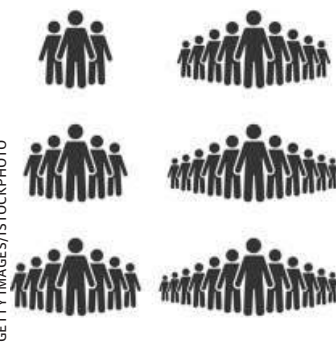
Further, the CPHS is conducted as face-to-face interviews necessarily using GPS-enabled smartphones or tablets. Intense validation systems ensure high fidelity of data capture. All validations are conducted in real-time while the teams are in the field. The data capture machinery ensures delivery of high quality data in real time obviating the need for any further "cleaning", post field operations.

Once the data is collected and validated in real-time, it is automatically deployed for estimations without any human intervention.

In 2016, the CMIE added questions regarding employment/unemployment to the CPHS. Since then, the CMIE has been generating labour market indicators regularly and making these freely available for public use (<https://bit.ly/2OxLAs4>).

A difference between the CPHS and the NSSO surveys is the reference period of the employment status of a respondent. While the NSSO tries to capture the status for an entire year and for a week, the CPHS captures the status as on the day of the survey. This could be one of four factors: employed; unemployed willing to work and actively looking for a job; unemployed willing to work but not actively looking for a job, and unemployed but neither willing nor looking for a job.

Since the recall period in the CPHS is of the day of the survey (or



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the immediate preceding day in the case of daily wage labourers) and the classification is elementary, the CPHS has been able to capture the status fairly accurately with no challenges of the respondent's ability to recall or interpret the status. In contrast, the NSSO's system is quite complex.

The large CPHS sample is distributed evenly across rural and urban regions for every week of the execution cycle of 16 weeks of a wave. It is this machinery that enables us to understand the Indian labour market with fast-frequency measures. So what do these fast-frequency measures tell us?

### Key findings

The most important message from the data is that India's labour participation rate is very low by world standards and that even this low participation rate fell very sharply after demonetisation. The average labour participation rate was 47% during January-October 2016. The world average is about 66%.

Immediately after demonetisation in November 2016, India's labour participation rate fell to 45%; 2% of the working age population, i.e. about 13 million, moved out of labour markets. That is a lot of people who were willing to work who decided that they did not want to work any more.

The data show that it was not the employed who lost jobs and decided to stop working. The em-

ployed mostly retained their jobs. But it was largely the unemployed who decided that the labour markets had been so badly vitiated after demonetisation that they gave up looking for jobs any further. In short, they lost hope of finding jobs in the aftermath of demonetisation.

As more and more unemployed left the labour market, the unemployment rate fell. This is because the unemployment rate is the ratio of the unemployed to the total labour force. This fall gave misleading or at least confusing signals, almost implying that the unemployment rate was falling in a positive sense. In reality it was a reflection of an exodus of the unemployed from the labour markets – a fall in the labour participation rate. And this underlines the much greater importance of the labour participation rate.

### On female labour

Specifically, India's female labour participation rate is very low. Official statistics have always shown that India's female labour participation rate is low and falling. Researchers have shown that this fall is because of rising household incomes that reduce the need for women to join the labour force; increased enrolment in higher education by women which delays their entry into the labour force, and cultural and security factors that keep women away from the labour market in India. Further, it is evident that employers are also biased against hiring women.

The CPHS shows that the situation with respect to women's participation in the labour force is extremely poor – much poorer than what the official agencies tell us. The entire brunt of demonetisation was borne by women. Their labour participation fell sharply while that of men did not.

After the demonetisation jolt came the Goods and Services Tax

shock of July 2017 that drove away small enterprises which could not compete in a tax-compliant environment out of business. This caused a substantial loss of jobs. Preliminary estimates suggest that employment shrunk by 11 million in 2018. The brunt of this was again borne largely by women. But men too were also impacted.

Male labour participation rate was 74.5% in 2016. This dropped to 72.4% in 2017 and then to 71.7% in 2018. In contrast, female labour participation was as low as 15.5% in 2016 which dropped to 11.9% in 2017 and then 11% in 2018. Urban female labour participation rates fell faster than rural female participation. In urban India it dropped from 15.2% in 2016 to 10.5% in 2018. The corresponding values for rural women were 15.6% and 11.3%, respectively.

Although female labour participation is substantially much lower than male participation, the few women who venture to get employment find it much more difficult to find jobs than men. The unemployment rate for men was 4.9% in 2018 and that for women in the same year was much higher – 14.9%.

This higher unemployment rate faced by women in spite of a very low participation rate indicates a bias against employing women. Drawing women into the labour force by removing the impediments they face to at least bring their participation levels close to global standards is critically important for India to gain from the demographic dividend opportunity it has. This window of opportunity is open only till 2030. By not using a good data monitoring machinery, the Indian government is keeping both itself and the citizenry in the dark.

Mahesh Vyas is Managing Director and CEO, Centre for Monitoring India Economy Pvt. Ltd., Mumbai

# Forty years after the Iranian revolution

A political change beckons which will not be easy but it is as certain as the overthrow of the Shah



RAMIN JAHANBEGLOO

Friedrich Nietzsche prophesied with remarkable accuracy that the 20th century would be marked by great wars fought in the name of philosophical ideas. But what Nietzsche could not have anticipated was that towards the end of the 20th century there would be a revolution in the name of god, establishing a Shi'ite theocracy. The Iranian revolution of 1978-1979 (picture) was a momentous development in the modern history of Islam. And it had a huge impact on all movements across the globe, especially those that were using Islamic frames of reference for political activism.

Some, like the French thinker Michel Foucault, enthusiastically declared the Iranian revolution as the spirit of a world without spirit. Foucault wrote: "One bears on Iran and its peculiar destiny. At the dawn of history, Persia invented the state and conferred its models on Islam. Its administrators staffed the caliphate. But from this same Islam, it derived a religion that gave to its people infinite resour-

ces to resist state power. In this will for an 'Islamic government', should one see a reconciliation, a contradiction, or the threshold of something new?" Following Foucault, we can say that from the very beginning, the Iranian Revolution remained a significant social and political transformation full of paradoxes and unpredictable twists.

### Clerical rule

The Iranian revolution was surprising not because it caused a monarch to collapse, but because of the way in which people organised themselves and participated in massive demonstrations. Like many other revolutions, it united several groups, classes and parties who, despite different ideologies, were all against the old regime.

Also, in the Iranian revolution as in the French and later the Russian revolutions, the coalition did not last very long and the Iranian clerics ended up having a leading role. But, the interesting point is that most non-clerics who were in the opposition against the Shah of Iran underestimated the probability of clerical rule, despite the presence of the clergy in all major political events in Iran since the Constitutional Revolution of 1906. Moreover, for too many observers inside and outside Iran today, events leading up to the revolution in 1979 took a mystifying and



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seemingly irrational course. But, unfortunately, those who try to explain hastily and emotionally the causes of the Iranian revolution and the Shah's collapse generally only tend to focus on one or another specific issue such as the alleged corruption of the regime, the undemocratic ways of its rule, the effect of repression, or the economic gap between the rich and the poor.

### Social tensions

If we consider the Iranian revolution not only as a political event but also as a psychological watershed, exactly as it was the case with the rise of Hitler to power in 1933 in Germany, we can understand why many Iranians believed back in 1978 that there was a messianic nature to Ayatollah Khomeini's leadership. In truth, Khomeini's success in the Iranian revolution had certainly nothing to do with divine providence, but given that the Iranian population

believed for centuries in the divine right of kings, it should have come as little surprise that the people were receptive to such ideas rather than having an acute sense of political pragmatism. Khomeini's leadership, followed by the establishment of the Islamic Republic in Iran, therefore, can be understood in patrimonial terms, assisted by periodic doses of charisma. The immediate consequence of this socio-religious attitude was to institutionalise Khomeini's role as the leader of the revolution.

But there is also a political side to the story: Khomeini was not only popular among common Iranians for his uncompromising attitude to the Shah and his anti-imperialist and populist rhetoric since 1963, but also because he and his followers were fully ready and organised for the establishment of an Islamic regime in Iran. As a result, defying all the myths of secular modernisation and shattering all the political ideologies of modernity, the Islamic Republic became the first theocratic state in the modern world to have institutionalised the Shi'ite idea of Velayat-e-Faqih, or the "rule of the jurist". However, the institutionalisation of Khomeini's role as the "faqih" did not manage the implicit tensions which continue to exist between tradition and modernity. Despite total Islamisation and

the reign of terror unleashed on political groups, there were advancements of Iranian civil society due to demographic changes, the rise of literacy and the magic fluidity of Iranian society. The insertion of cultural politics into the everyday lives of young Iranians in the name of Islamic purity created the reverse attitude and a sentiment of confrontation with the Islamic regime.

Looking at Iran today, one can say that the 'growing generational gap between the Islamic state and the Iranian youth, particularly young women, has never been wider. The question to ask would be: if the participants in the Iranian revolution wanted more than anything to be seen and to be heard, why, then, did the revolution degenerate into such violence and tyranny which still plague Iran? Why did people power collapse in on itself, engendering repression, stifling thought and action?

These questions remain unanswered, but if one thing is certain, it is that Iran is going towards a political change. This political change is not going to be an easy and a quick one, but it will happen with the same certainty that the revolution happened.

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## LETTERS TO THE EDITOR

Letters emailed to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) must carry the full postal address and the full name or the name with initials.

### Rafale negotiations

The credibility and standard of *The Hindu* have taken a hit after the publication of the "exclusive report", "MoD protested against PMO undermining Rafale negotiations" (Page 1, February 8). The report is a distortion of the facts. The Prime Minister's Office (PMO) has every right to make inquiries as far as any Ministry or department is concerned especially as the Rafale fighter aircraft deal is a deal worth billions. The report does not present the full picture of what transpired between the Defence Ministry and the PMO. The government has made it clear that negotiations were done in the right way with no malpractice. One needs to investigate how the Congress president has

arrived at the figure of ₹30,000 crore. One gets the impression that the daily has an ulterior motive – to tarnish the image of the Prime Minister.

P.O. SIVASANKARAN,  
Chittur, Palakkad, Kerala

■ The Indian government has the prerogative to waive the requirement of a sovereign or bank guarantee especially when it concerns a deal with countries of a very high stature. This is the case in this defence deal. It is absolutely normal to have such differences of opinion between ministries. Has the "exclusive report" been glorified for political considerations?

S. PARTHASARATHY,  
Chennai

■ The *Hindu* had a reputation for factual reporting and upholding

journalistic ethics. But the report has besmirched this reputation. To have published only a part of the file notings is nothing but a case of *suggestio falsi* and *suppressio veri*. To have conveniently omitted the Defence Minister's notings is a blot on the daily's journalistic standards. This was not expected from a newspaper of *The Hindu's* standing. As a regular reader I am deeply disappointed.

P.N. RADHAKRISHNAN,  
New Delhi

■ The report has shown the government in a bad light. In this case, established norms when striking a defence deal have been subverted. Though it is not prohibited for the PMO to oversee deals negotiated by other ministries, it is not fair to override norms that are laid down. Moreover the

government has been strongly arguing against the charge of such interference. Now that the report makes things clear, the government needs to come up with more convincing answers.

D. D.V.G. SANKARANARAO,  
Nellimarla, Andhra Pradesh

■ It is laudable that *The Hindu* has exposed the involvement of the PMO in the murky deal. Looking at the sequence of events, one really wonders whether the dilution of established norms was an internal barter deal to make the French manufacturer accept an inexperienced and debt-laden Indian firm as an offset partner. The demand by the Congress President for a thorough probe by a Joint Parliamentary Committee sounds very reasonable.

THARCIUS S. FERNANDO,  
Chennai

■ So there is a dark side to the Rafale deal! Why the PMO exceeded its remit when there is a dedicated department to look into defence matters is the mystery. The Prime Minister put on a brave face in the Lok Sabha attempting to justify the dubious deal. It will be interesting to see how he will now counter the documentary evidence that establishes impropriety. Even the Prime Minister is not above the law. We need an explanation.

DEEPAK SINGHAL,  
Noida

### RBI cuts rates

The RBI's move to have the repo rate reduced by 25 basis

CORRECTIONS & CLARIFICATIONS:  
The blurb in a Business page report titled "Givaudan opens flavours unit" (Feb. 8, 2019) erroneously said the 60-mn Swiss Franc facility would make *fragnances*. It should have been *flavours*.

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