

Opinion

SATURDAY, APRIL 20, 2019



REDACTED MUELLER REPORT

Bernie Sanders, member of US Senate

It is clear that Donald Trump wanted nothing more than to shut down the Mueller investigation. While we have more detail from today's report than before, Congress must continue its investigation into Trump's conduct...

GOING INTO HIDING

OBSCURITY BRIDGES THE PRIVACY GAP WITH THE IDEA THAT THE PARTS OF OUR LIVES THAT ARE HARD OR UNLIKELY TO BE FOUND OR UNDERSTOOD ARE RELATIVELY SAFE

Why you can no longer get lost in the crowd

WE ARE CONSTANTLY exposed in public. Yet most of our actions will fade into obscurity.

Do you, for example, remember the faces of strangers who stood in line with you the last time you bought medicine at a drugstore? Probably not. Thanks to limited memory and norms against staring, they probably don't remember yours either. This is what it means to be obscure. And our failure to collectively value this idea shows where we've gone wrong in the debates over data and surveillance. Lawmakers and industry leaders are missing the big picture. They are stuck on traditional concepts like "transparency, consent and secrecy" which leads to proposals that reinforce broken mechanisms like consenting to unreadable terms of service. They are operating under the dangerous illusion that there is a clear distinction between what is public and what is private. Most people probably intuitively know that their most deeply held secrets are private while the things about them that are commonly known or widely broadcast are not. But what about information about our everyday actions that is shared with some but not all?

Obscurity bridges this privacy gap with the idea that the parts of our lives that are hard or unlikely to be found or understood are relatively safe. It is a combination of the privacy you have in public and the privacy you have in groups. Obscurity is a barrier that can shield you from government, corporate and social snoops. And until lawmakers, corporate leaders and citizens embrace obscurity and move to protect it, your freedom and opportunities to flourish will be in jeopardy. The concept was first meaningfully articulated in a landmark 1989 Supreme Court decision, Department of Justice vs Reporters Committee for Freedom of the Press, which recognised a privacy interest in the "practical obscurity" of information that was technically available to the public but could be found only by spending an unrealistic amount of time and effort. After the concept was introduced, most lawmakers, judges and the tech industry promptly forgot about it. This has dulled the potential of obscurity as a rallying point for change and leaves society strugg-

WOODROW HARTZOG & EVAN SELINGER



gling to protect something in dire need of defining and defending.

Understanding obscurity means paying attention to how space, time and people's cognitive limitations make it difficult for others to surveil us or find out things about us. Consider space. The further away people are, the harder it is to see with the naked eye who they are and where they're going. Usually, we are visible only to those nearby. But cellphone location data can reveal that same highly personal information to anyone with means and motivation. We should be disturbed that apps often collect location data simply because they can and that T-Mobile, Sprint and AT&T reportedly have illegally sold customers' 911 location data to third parties. And we should be pleased that the Supreme Court ruled last year in Carpenter vs. United States that, under the Fourth Amendment, cellphone records can't be seized without a warrant. Consider time. Memories fade as time passes. But the internet has impeccable recall. That is why we should applaud the senators who have proposed a bipartisan update to the Children's Online Privacy Protection Act that would give parents and children an "eraser button" to remove a child's data from platforms like Google and Facebook. It is also why we should be sceptical of Mark Zuckerberg's announcement that Facebook will become a more "privacy-focused platform" that emphasises features like ephemeral, expiring information. Truly ephemeral communications are certainly obscure, but it is unclear what information Facebook will scrub on the front end (for users) and the back end (from the company). The com-

pany's history suggests we shouldn't let our guard down.

Obscurity is also a better way to understand Europe's "right to be forgotten" law, which can't make anyone forget anything, but can make the remnants of your awkward youth harder to find online. Finally, consider cognitive limitations. Facial recognition technology poses an immense danger to society because it can be used to overcome biological constraints on how many individuals anyone can recognise in real time. If its use continues to grow and the right regulations aren't instituted, we might lose the ability to go out in public without being recognised by the police, our neighbours and corporations. Creating strong regulations for the technology is going to be an uphill battle, especially because it has already become widespread, being deployed at airports to make boarding easier and adopted by schools to increase safety. It is even being used at summer camps so parents can automatically receive photos in which their children appear.

Threats to our obscurity are growing because technology is making our personal information easy and cheap to aggregate, archive and interpret—with substantial growth in predictive analytics, too. To see what we mean, just look yourself up on the website MyLife and marvel at how much information has been cobbled together from different moments in your life for anyone to see at the click of a button. Even speaking in hushed tones to a friend at a crowded cafe might not be enough to protect your obscurity if cameras are someday equipped with lip-reading artificial intel-

ligence software. Obscurity is vital to our well-being for several reasons. It gives us breathing room to go about our daily routines with little fear of being judged, sent unwanted ads, gossiped about or needlessly shamed. Obscurity makes meaningful and intimate relationships possible, ones that offer solidarity, loyalty and love. It allows us to choose with whom we want to share different kinds of information. It protects us from having everyone know the different roles we play in the different parts of our lives. We need to be able to play one role with our co-workers while revealing other parts of ourselves with friends and family. Indeed, obscurity is one reason we feel safe bonding with others over our shared vulnerabilities, our mutual hopes, dreams and fears. Obscurity enables us to develop and grow as individuals. It provides us collectively with spaces to explore new and controversial possibilities, to transgress taboos and ignore arbitrary rules. You might have thought you could skip church without anyone knowing, but churches are being marketed by facial recognition systems that will make sure your absences are duly noted. It won't stop there.

Obscurity protects us from being pressured to be conventional. This buffer from a ubiquitous permanent record is especially important for the exploratory phase of youth. To develop as humans, people must be free to try things they might later regret. This is how we become better people. Without obscurity, we wouldn't have the freedom to take risks, fail and dust ourselves off. We'd be stymied by the fear of being deemed failures by a system that never forgets.

Finally, obscurity is crucial to democracy. Obscurity fosters civic participation and gives us the confidence to attend political protests and engage in political speech online without worrying about ending up on a government watch list. It is why the American Civil Liberties Union worries about the government monitoring social media. Things can be private even if others can see them. And there is so much of our lives that industry and governments have yet to find. But in our status-obsessed culture, it can be hard to appreciate that the opposite of obscurity isn't fame, but chillingly oppressive fear.

Quotas in promotion are an abomination, scrap them

Apart from govt needing to show SC/ST are inadequately represented, it must show administrative efficiency is not hit

THE SUPREME COURT has done well to stay the reservation for promotions in government jobs that SC/STs have been demanding. The apex court ruled in favour of a status quo on Monday after the Centre was unable to comply with the rules which required it to come up with quantifiable data to show that SC/STs were not adequately represented in government jobs. The current case in the Supreme Court is the result of the Centre being ordered by the Delhi High Court—in November last year—to implement the apex court's September verdict. Indeed, since the apex court is planning to hear the case in detail, it is important to relook the issue of reservations in promotions.

The September 2018 verdict, delivered by a five-bench constitution bench of the apex court, had upheld reservations for promotions for SC/STs. It had also rejected the argument made by the petitioners which said the government must have data to show the SC/ST were in fact backward; while this is what the Nagaraj judgment said, the apex court agreed with the government that proving backwardness ran contrary to the Indra Sawhney ruling. So, once the government listed a caste group as SC/ST, this implied the group was backward. However, in keeping with the Nagaraj judgment of 2006, the SC ruled last September that the government had to show that, once this reservation in promotions was done, it would not affect the efficiency of government administration. Interestingly, the SC also said that the concept of creamy layer that applied to OBC reservations would also apply to SC/STs since it would not be possible for SC/ST to move forward if the better-off cornered most of the benefits.

While reservation continues to be a contentious issue and is used by political parties to win votes, it goes against the principle of merit, so it has to be hoped the apex court will fix this; when the Karnataka order on reservations in promotions was being argued in the Supreme Court in 2017, for instance, it was argued that while this ensured a candidate who came in through reservations could reach the third level of seniority by the age of 45, the general category candidate would only make it by the age of 56. Applying the principle of ensuring that efficiency is not compromised in all cases—not just those of promotions—will be a big step forward if the apex court rules this, since the damage done by the reservations policy is evident. Also, the huge difference in the incomes of SC/ST families that are educated and those that are not makes it clear that SC/ST as a group cannot be considered backward or under-privileged; indeed, data from primary research agency Price shows that 7% of all SC households and 5.3% of ST ones have an income of more than ₹10 lakh per annum; in the case of OBCs, it is 8.5%.

Curiously, few seem to see these demands as evidence that the reservations policy is not working. If SC/ST/OBCs were really benefitting from reservations in colleges, for instance, the fact that they need reservations in jobs implies the education in itself didn't help too much. And if they need reservations in promotions, this suggests they are not performing well enough to get promoted on their own. While there are those who argue certain sections of society need some support, this should be provided on the basis of financial backwardness—across communities and castes—and not any other criterion. Bank loans, for instance, need to be given to promising entrepreneurs irrespective of their background. Unfortunately, no political party today can afford to roll back reservations or even suggest it be limited to one generation only for fear of losing votes. Indeed, the NDA has increased the scope of reservations to upper castes too, and though this is to be for the not so well-off, the cut-off of ₹8 lakh means over 80% of upper-caste households will be covered.

Endorsing change

Ambani and Kotak endorsing Deora is a welcome move

INDIAN BUSINESSMEN HAVE traditionally operated behind the scenes, whether it comes to getting their work done, or paying for it. In the case of the latter, it is only when the government brought in anonymous electoral bonds that political payments by cheque got a boost. And, even after a particularly bad budget, with onerous tax proposals for industry, due to a fear of retribution, a FICCI or a CII will vie with each other to give the finance minister a 12 or a 13 on 10 for it; parallel to this, however, the chambers and various others will be lobbying privately for reversing the proposals. Indeed, even when the government acts against individual companies, very rarely do you see even mild protest. Indeed, when the UPA refused to honour the legal commitment made by the NDA to give Anil Agarwal of Vedanta the option to buy more shares of Hindustan Zinc and Balco—under the privatisation done by the Atal Bihari Vajpayee government—at a set price, the London-based industrialist didn't complain or take the legal action many assumed he would. Which is why, most were taken aback when the UK-headquartered Cairn Energy Plc—it sold its stake in Cairn India to Anil Agarwal's Vedanta—decided to file for damages against the Indian government's tax demands and seizure of its shares and dividends a few years ago.

In this context, it is a pleasant surprise to see Reliance Industries' chairman and managing director Mukesh Ambani and Kotak Bank's managing director Uday Kotak openly endorse Congress candidate Milind Deora for the south Mumbai seat. It is true the Ambani association with the late Murli Deora—former oil minister—goes back a long way, but coming out in favour of an Opposition candidate is a bold step by Indian standards. Of course, what is not clear is whether this is part of a larger trend where Indian businessmen will endorse parties and candidates—as they do in the US—or whether this is a one-off; in the case of Ambani, perhaps, it could be that his empire is so large, no government can really afford to ignore him and the issues he wants attended or, for instance, the tax concessions that he wants in order to make certain investments. If it does catch on, though, it will be a good thing, since endorsements by industrialists or investors, or even the media, help others make up their minds about candidates. So, given his personal reputation, an endorsement by a Narayana Murthy, for instance, will go a long way in convincing voters the party/candidate is not corrupt. An endorsement by top corporates, similarly, will indicate to voters that the party will come out with pro-industry policies. Indeed, if well-known industrialists are willing to come out in the open in favour of candidates—and this means they don't think there will be any reprisals of any sort due to this—sooner rather than later, they will not be averse to making political donations even without the cover of anonymity.

Disabling Access

The absence of information relating to disabled people in the new MBBS syllabus strengthens dangerous stereotypes about them

PEOPLE WITH DISABILITIES are among the most marginalised sections of society in the world. In India, as per the 2011 Census, the disabled population is around 26.8 million. However, this number could actually be a small fraction of the actual number living with disabilities in India, with World Bank data suggesting the number is between 40 and 80 million. With society comprising of such a large proportion of disabled people, it would make sense for textbooks and knowledge sources to contain information about them and ways to engage that do not ostracise them. However, the new syllabus of MBBS courses in the country due to come out in August of this year does not carry much on The Rights of Persons with Disability Act. Two letters, one written by the Delhi chief commissioner for persons with disabilities and the other by the national chief commissioner, addressed to the Union health ministry and the Medical Council of India (MCI), respectively, note the absence of specific requirements of the Act from the new syllabus and the absence of a "human rights" perspective and approach to disability.

The main problem lies in the fact that the failure to include a rights-based perspective relating to people with disabilities means that time and again they are met with apathy and indifference, not care and attention. In an effort to address this, the Parliament passed The Rights of Persons with Disability Act in 2016. A significant effort towards mainstreaming disabled people was incorporated in Section 39 of the Act, which mandates that the curriculum in universities, colleges and schools should include information on the rights of people with disabilities and also requires that "orientation and sensitisation at the school, college, university and professional training level on the human condition of disability" be carried out. Not only was this missing from the syllabus, but a central tenet of the Act, the incorporation of the word "dignity" in all matters pertaining to disabled people, was also absent from the updated syllabus and "disabled" was mentioned only once.

Breaking the internet language barrier

One of the ways ICANN is trying to make the use of internet and its content accessible is through the introduction of Internationalised Domain Names (IDN)

V SRIDHAR & AJAY DATA

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DOMAIN NAMES PROVIDE the important link between users and content on the internet. When we type "meity.gov.in" to access the web site of the ministry of electronics and information technology, we present the domain names interspersed by "dots" to the Domain Name System (DNS) that resolves them into machine readable Internet Protocol (IP) addresses for access. However, the label to the right of the dot (also called as the Top Level Domain, TLD) in any domain name is of utmost importance as this is administered and governed by the multi-stakeholder community model of internet governance under the aegis of the Internet Corporation for Assigned Names and Numbers (ICANN). The TLDs are registered in the "root zone" of the internet with corresponding Label Generation Rules (LGRs) for the stable functioning of the domain name system.

The DNS started with 6 TLDs in the 1980s that consisted of just 3 Latin characters; subsequently, country code TLDs were made available (such as 'in' for India). Subsequently, generic TLDs that can have longer labels such as 'cookingchannel' and 'travelersinsurance' with certain restrictions were approved under the new gTLD programme of ICANN in 2012. While these developments were taking place, software and application developers, network engineers, and domain name registrars had to re-engineer their existing programmes to recognise the shift from legacy 2-3 character TLDs to lengthy TLDs. This, referred to as "Universal Acceptance (UA)" principle, enables any TLD, once defined in the Root Zone, to function within all applications regardless of script, number of characters, or how new it is.

Meanwhile, the internet penetration across countries started growing exponentially. However, despite the growth of

internet in non-English speaking countries, the content on the internet is still predominantly available in English followed by Chinese. One of the ways ICANN is trying to make the use of internet and its content accessible, especially among non-English speaking internet users, is through the introduction of Internationalised Domain Names (IDN). The solution was in adopting Unicode standard that provides a unique number for every character, no matter what platform, device, application or language. Realising the importance of Indian language specific TLD, the government of India obtained (Bharat) ccTLD in Devanagari script in 2011, which was introduced to the public for domain registration in August 2014. Variations of Bharat TLD is now available in 15 scripts including Bengali, Tamil, Telugu, Gujarati, Urdu and Gurmukhi.

As per the IDN World Report 2018, where IDNs are in use, the language of web content is more diverse than it is with traditional ASCII domains. IDNs help to enhance the linguistic diversity in cyberspace and seem to be accurate predictors of the language of the web content. The report also points out that Han (associated with Chinese language), Latin, and Cyrillic scripts represent nearly 90% of all registered IDNs. Major world scripts such as Arabic and Devanagari, which support some of the world's top 10 most spoken languages, are yet to be substantially represented in IDN. To make Indian language specific TLDs possible, the Neo-Brahmi Script Generation Panel (NBGP) was formed by nine communities in 2015. NBGP is developing Root Zone LGR for Bengali, Devanagari, Gujarati, Gurmukhi, Kannada, Malayalam, Oriya, Tamil and Telugu scripts. Once implemented, domain names in the above Indian languages can be registered to address the non-English inter-

net users in the country.

Apart from accessing web content, domain names are also used for email addresses and a host of other Internet applications. Hence, UA requires that software applications should be updated to accept the new gTLDs and IDNs. Once implemented in full, end users can use applications with the new domain names without compromising on functionality and performance. In a recent study by Analysis Mason, it is estimated that UA would provide an economic benefit of close to \$10 billion. To promote UA, ICANN has formed the Universal Acceptance Steering Group (UASG) which is spreading awareness of the ramifications of new gTLDs and IDNs amongst all stakeholders. Companies such as Google, Microsoft, Xgenplus have started supporting email address internationalisation (i.e. email address for IDN domain), thus providing UA-ready messaging services. Hence it is very important to educate software developers, engineers, domain name registrars and registries on the importance of UA in the context of new gTLDs and IDNs.

Currently India has more than 50% of the 900+ TV channels that broadcast in regional languages; Hindi language newspapers are the largest in terms of readership. It is time to prop up internet content with Indian languages. The internet 1.0 was the one without Web; the 2.0 variant with the hyperlinked web provided the much-needed network connectivity of content; 3.0 enabled access to the web through mobile and portable devices; internet 4.0 breaks the language barrier for both content and access. This revolution provides a fertile ground for development of content and applications based on the economic, social, cultural and linguistic diversity of the internet population around the globe.

LETTERS TO THE EDITOR

Et tu Priyanka Chaturvedi?

It is unfortunate that Priyanka Chaturvedi, national spokesperson and convener of the media cell of the Congress, has quit the party being disappointed with the party's decision to lift the suspension of eight Congress leaders who were under suspension for misbehaving with her in Mathura. It seems the party has taken the decision after all the eight leaders expressed their regret over the incident and assured never to repeat the mistake. With the way Priyanka was defending the Congress party in public debates and TV discussions, her exit is definitely a loss to the Congress party. However, she could have given a chance to the eight leaders who have apologised and expressed their regret over the incident and waited to watch further developments without quitting the party
— Shalini Gerald, Chennai

Trump as a catalyst

China in 2018, a tale of a vicious cycle of over-production, low consumption and export dependence, has interest groups protecting heavy industries that generate revenue and jobs and block vital reforms to a shift to consumption and services sectors. Trump's aggressive tariff war has accelerated systemic weaknesses in China's economy. That said, Chinese companies, for sometime now, have been innovating on their own and are resilient to competition and require far less protection. China has initiated major policy corrections. An authoritarian economy driven by its energetic leadership can yet be counted on to reclaim its trajectory, with Trump serving as the catalyst
— Janaki Narayanan, Mumbai

Write to us at feletters@expressindia.com



ILLUSTRATION: ROHINIT PHORE

PP SANGAL

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Saving the Indian statistical system

Indian political leaders would do well not to jeopardise their country's statistical system for deriving political mileage

THE REPUTATION OF India's statisticians and, for that matter, of our economists too is at stake as never before. It is because both function as twin brothers in framing a nation's economic policy for sustainable all-round development. We are creating a bad environment by continuing to publicly denigrate our statisticians by suspecting the quality of data/statistics they produce and blame them along with the fellow economists for various inferences they draw based on such information. Who is responsible for this situation? I think it is largely the political parties who do this from political angle and particularly for electoral gains.

A damaging atmosphere is now being created for the science of 'statistics' in our country. This has been observed in the past in previous regimes and now in the BJP-led government at the Centre. Here are two recent glaring cases in point which concern most significant measures of our nation's economic and social progress:

One relates to the debate around the recalculated GDP series by changing the base year from 2004-05 to 2011-12. These figures showed the performance in two years (2012-13 and 2013-14) in poorer light which fall in the UPA-2 regime. On the other hand, GDP numbers for 2017-18 were revised to 7.2% from 6.7%, and for the year 2016-17 (the year of demonetisation) it was revised upwards to 8.2% from the earlier 7.1%. So, in a way, 2016-17 becomes the best year of Narendra Modi government's five-year tenure, but this is not supported by industry and commerce, as hugely downward trend in sales was recorded. Also, calculating back GDP series down to 2004-05, without any comparable data being available from 2011-12 backwards, became a matter of great controversy.

The second pertains to the yearly report on unemployment rates released for 2017-18 by the NSSO, which the current government has suppressed being politically inconvenient in view of the ongoing general elections. The report showed an unemployment rate of 6.1%, which is the highest in the last 45 years. This finding, in some measure, has also been corroborated by other professional credible agencies like the Centre for Monitoring Indian Economy (CMIE) and the Centre for Sustainable Employment at Azim Premji University.

The academic malady in statistics is not only confined to the cases mentioned above; suspicions have been raised on var-

ious types of official statistics from time to time because of the political interference in the production of statistics. This is happening from the times of our first Prime Minister Jawaharlal Nehru, who was instrumental in setting up an Indian statistical system on the advice of PC Mahalanobis for meeting the needs of large-scale planning in India.

What is also happening now is partisan politics where a group of 108 economists, on one hand, charged the central government with hiding of information and manipulating figures to its advantage for fetching votes, while on the other hand, a category of chartered accountants, having no expertise in working out GDP figures and unemployment rates, are entering the debate to counter what the economists have said. Such unauthentic statements create unnecessary doubts in the minds of the people who have no capability to distinguish between good and bad information. So, the faith in 'statistics' gets eroded. This is bad politics and also creates disruption in planning process.

There is yet another burning example of data messing-up and playing with figures by two major national parties. Both the parties claim to be the 'messiah' of the poor. The BJP-led NDA-2 launched PM-KISAN recently and the Congress declared in its election manifesto that it would introduce a minimum income guarantee scheme called the Nyuntam Aay Yojana (NYAY) if voted to power. Their intentions are good as they want to end poverty. But what is disturbing is that both parties are duping the masses and confusing them by discarding each other's scheme by presenting unclear and twisted figures. Further, the other day, the BJP president said in an election rally that there is no crisis of jobs but there is crisis of data. Do such statements are not ultimately resulting in lack of faith in our statistical system?

It does not require any emphasis that high esteem the world over because of their high quality intellectual achievement and diligence and integrity in production of statistics. This is not to say that India's statistical system has no lacunae, which must be removed, but we are comparable to even the most advanced economies of the world in this respect.

To conclude, Indian political leaders would do well not to jeopardise their country's statistical system for deriving political mileage. The creation of a reformed but independent and powerful National Statistical Commission is a must to save our statistical system from ruins.

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Creating more jobs

ANJALI TANDON

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Views are personal



JOB CREATION HAS been a preoccupation for policymakers for long. The lacklustre performance of Indian manufacturing has prevented the absorption of labour force displaced from agriculture. Although some have found employment in services such as travel, tourism and hospitality, much of these are stopgap arrangements. Labour-intensive manufacturing could have been the most fitting option to absorb the mass labour force. But this did not happen. The most common argument for its failure to take off is the rigidities in labour laws preventing easy hire and fire of workers. Also associated are the entry and exit barriers for firms. However, one aspect has been completely ignored from consideration. It is the capital requirement of labour-intensive sector and refers to the relative significance of capital in their set-up and operations.

The idea that labour-intensive industries will work without appropriate capital is misguided. Even more erroneous is the concept of evaluating their relatively large proportion of labour use based on direct requirements only. It is necessary to work out labour and capital requirements after taking into account their respective use indirectly in activities of the supply chain of labour-intensive industries. Ignoring the indirect usage of capital in a labour-intensive industry amounts to underestimation of the capital proportion of labour-intensive manufacturing. For instance, despite its labour intensity, the food processing industry depends on capital equipment such as refrigerated vans. The omission tends to undervalue the proportion of capital. Therefore, it becomes fundamental to reassess the capital proportion of labour-intensive sectors so that appropriate finance policies can be designed for their revival and promotion.

A related attempt through an ongoing study under the IMPRESS (Impactful Policy Research in Social Science) scheme of the government finds that even the traditionally labour-intensive sectors have higher proportions of capital than normally recognised. For instance, labour-intensive manufacture of tobacco products and manufacture of macaroni, noodles, etc, enveloped under the broader food processing sector is noted to have capital proportions that are 18.4% more than normally assessed. An underestimation of that magnitude (of the order of one-fifth) for a labour-intensive sector, which is also largely unorganised and employs unskilled labour, suggests that employment generation in labour-intensive sectors demands more capital than estimated through measuring only their direct factor proportions. Similar is the case of unskilled labour-intensive activities related to manufacture of textiles, handbags, footwear and ropes under the broader textile and leather sector, although the underestimation is of a smaller order. The capital proportion of yet another labour-intensive activity—manufacture of refractory and non-refractory clay and ceramic products—is likely to be underestimated by 10.8%. As a labour-intensive activity, manufacture of structural metal products, included in the basic metal products sector, is found to have the highest level of underestimated capital proportion. The capital proportion in relatively low-value transport equipment such as bicycles is also underestimated by almost 10%. At the same time, the high value added but skilled labour-intensive products such as gems and jewellery would fall short of capital by 6.9% as assessed from the proportions for miscellaneous manufacturing sector which is also inclusive of production of sports goods using unskilled labour.

These findings have relevance for the industrial policy which is round the corner. Indeed, ignoring the greater than understood capital proportions of labour-intensive activities only belittles their capital requirements dishonourably. Thus, infusing appropriate capital into labour-intensive sectors gains primacy for their success in employment creation.

DATA DRIVE

Clipped wings

JET AIRWAYS'S TEMPORARY shutdown will drive airfares upwards as the airline had a 15% domestic market share in October last year. It slipped to 11.4% in February this year. Its flight share in top-10 city-pair routes was 24% and it accounted for 14% of India's international airlines capacity share.

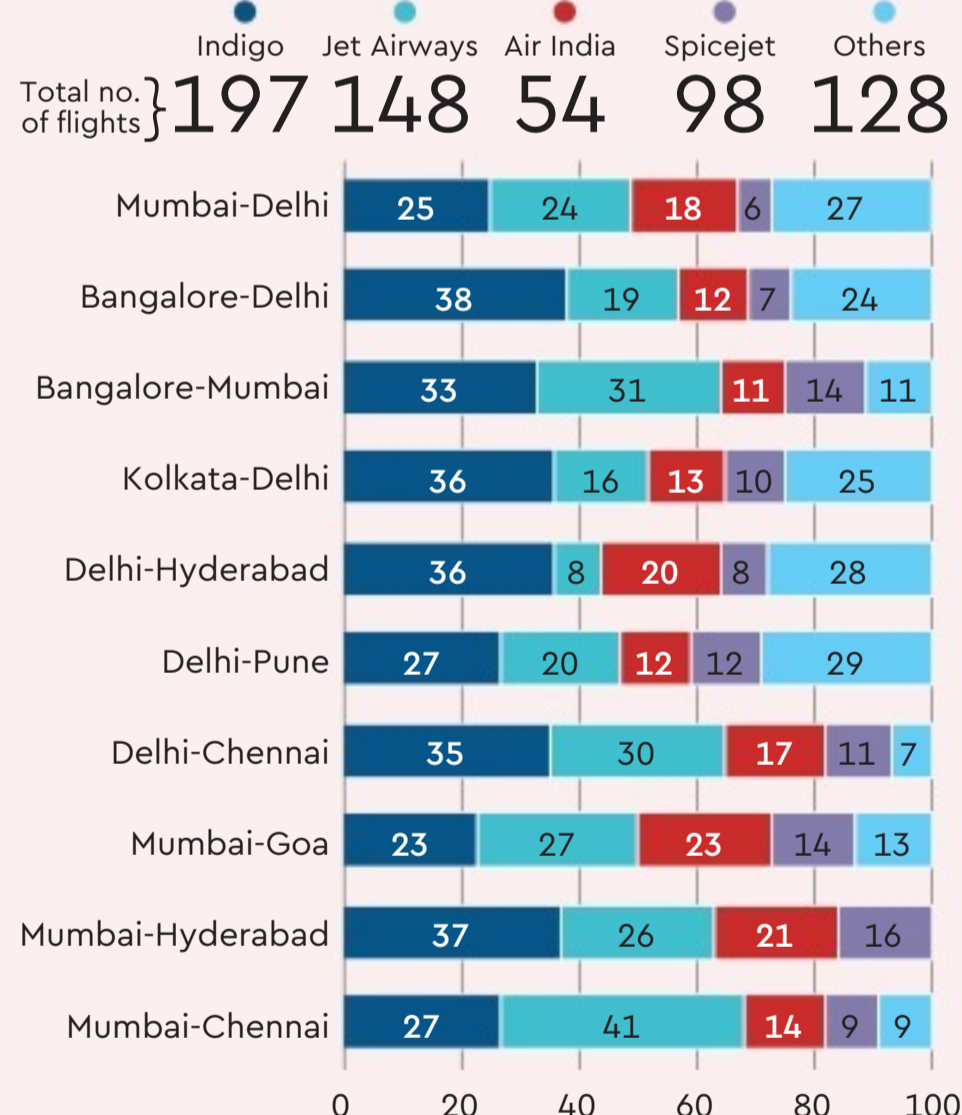
June, will depend on the quantum of capacity that the industry adds collectively to ease the demand-supply mismatch. In fact, airfares have been increasing since October last year because of capacity reductions by Jet Airways, grounding of MAX aircrafts by Spicejet and Indigo's pilots shortage.

Air Asia and Air India have added the most flights after the disruption of Jet Airways by Indigo and Vistara. Spicejet has not been able to add capacity because of grounding of 13 Boeing Max 737 out of total 75 aircraft.

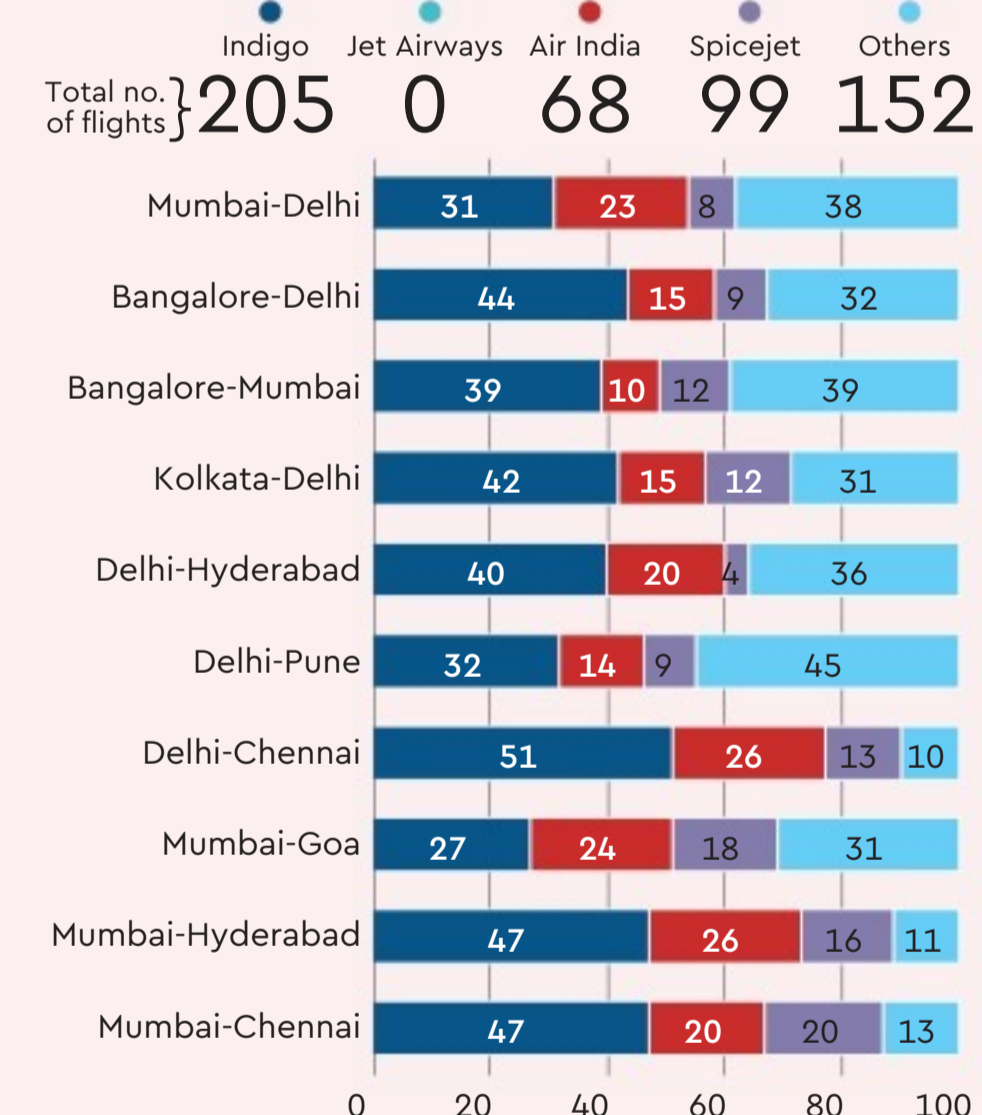
Total debt of Jet Airways
₹8,500 cr
Dues to lessors and vendors
₹3,500 cr

Jet's suspension of operations leads to demand-supply mismatch on top-10 routes

Operator-wise daily flight share in October 2018; in %



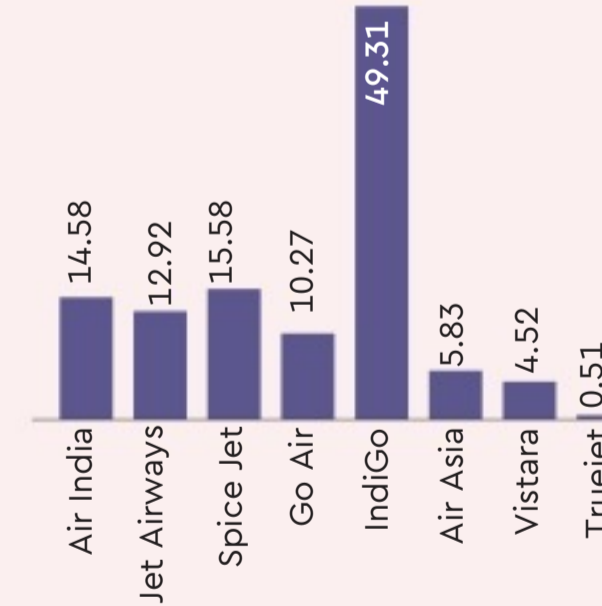
Operator-wise daily flight share in April 2019; in %



Jet Airways had 11% market share amongst domestic airlines (Feb '19)

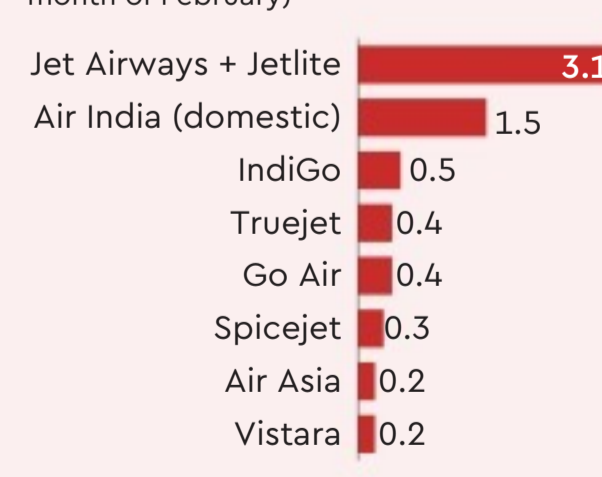


PASSENGERS CARRIED (lakh)



Passenger complaints against Jet Airways have been mounting

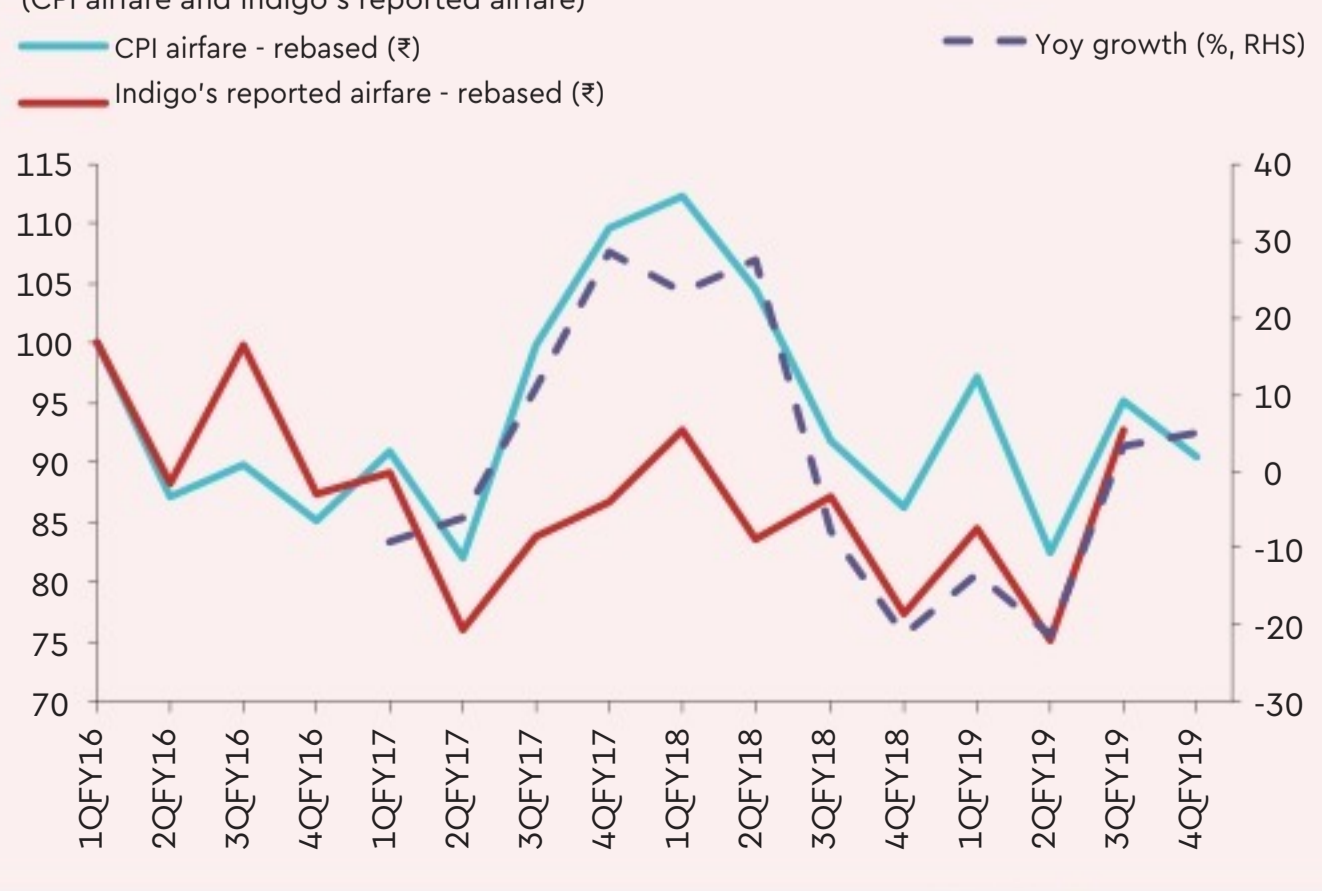
(No. of complaints/10,000 pax; month of February)



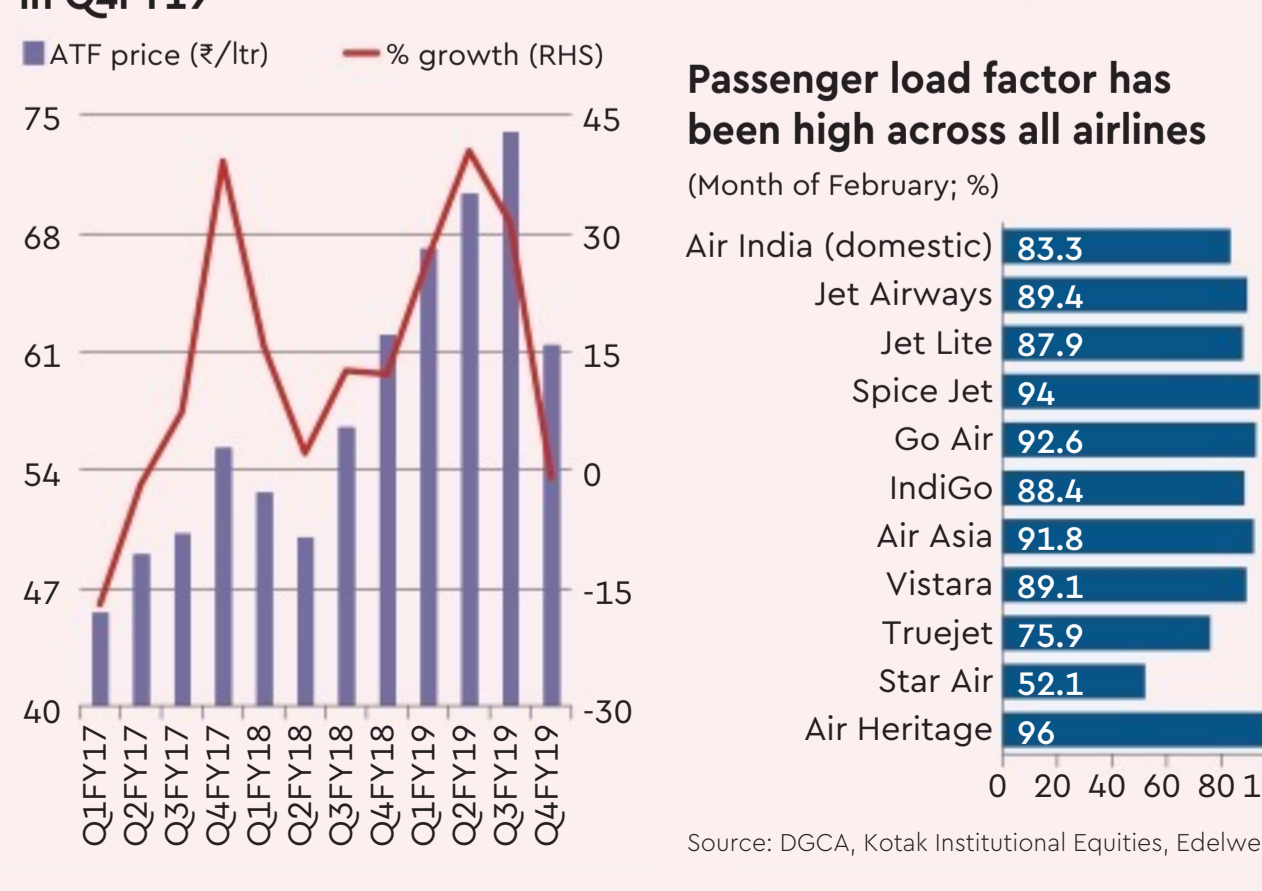
Jet Airways' domestic passenger growth has underperformed peers



CPI airfare index for Q4FY19 indicates increase in yields

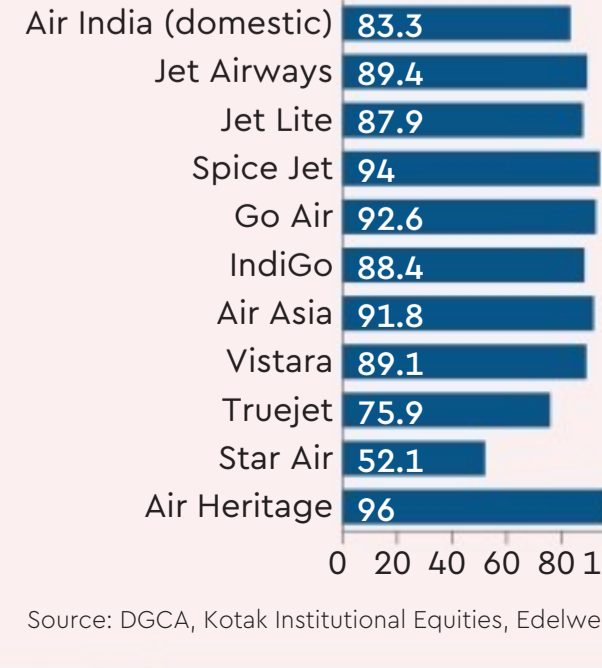


ATF prices have declined in Q4FY19



Passenger load factor has been high across all airlines

(Month of February; %)



Source: DGCA, Kotak Institutional Equities, Edelweiss