

The Yeti syndrome

Yet another myth goes viral

The apparent “discovery” of Yeti footprints by an Indian army mountaineering expedition last week is a reflection of sorts of a growing trend in the national public discourse. After some centuries of earnest search, including in the last one, scientists and biologists have reliably concluded that the Yeti is about as real as the Loch Ness monster or Bigfoot. So how did mountaineers attempting to summit the world’s fifth-highest peak suspend disbelief and convince themselves that the mega-sized footprints they photographed belonged to this mythical beast? Could it be the result of oxygen deprivation in the rarefied air?

Himalayan mountaineers over the decades report all sorts of visions in the “death zone” — that is above 26,000 feet, where there is insufficient oxygen to support human life. For instance, Reinhold Messner, the celebrated alpinist who summited Mount Everest solo and without oxygen in 1980, imagined the ghost of George Mallory, who disappeared during a summit attempt in 1924, guiding him down the perilous north-east ridge during his descent in a storm. Now, Makalu is over 27,000 feet but the base camp where the footprints were discovered is roughly 17,000 feet above sea level, low enough for reasonably fit trekkers to access. If oxygen deprivation can be ruled out,

what explains the army expedition’s decision to jump the gun and tweet this dubious discovery? The rate at which the tweet went viral is indicative of the credulous nature of the Indian public. Only some of the response was disbelieving — one former MP of saffron persuasion instantly tweeted out his congratulations. No surprise, the international media reported on the “discovery” in amused undertones.

But this is not the first time that India has been rocked by such miracles. In the last decade of the 20th century, long before the advent of social media, the myth of the milk-drinking Ganesh gained such wide credence that reasonably sane individuals felt compelled to coax images of the elephant god to sip spoons of milk — on national TV. Only the manifest failure of this “experiment” countrywide launched the rumour even if no one explicitly acknowledged the hoax. In the 21st century, this trend of conflating myth and reality found

fresh impetus with the emergence of politicians of muscular nationalist inclination. They strive to draw a connection between India’s “Golden Age” (itself a discredited theory among serious historians) embedded in the mists of pre-history and India’s impending greatness (if, of course, these people were voted to power).

Thus, over the years, the electorate is regularly treated to such novel theories as ancient India’s knowledge of plastic surgery (which is how, we are informed, Ganesh came to acquire his elephant head) to the possession of nuclear capabilities (thanks to the Sudarshan chakra and assorted mythic materiel). When such information is imparted by senior politicians to an imperfectly educated public, it tends to acquire a dangerous credibility, more so when it is linked to modern India’s scientific and military achievements. If an Indian Air Force MiG can apparently shoot down an F16 in Pakistani airspace and our space scientists can demon-

strate the capability to blow low-orbiting enemy satellites to smithereens, the sensational discovery of the abominable snowman by our brave soldiers would have been an opportune nationalist cause celebre. If only biologists had not played spoilsport and clarified that the abnormally large footprints were probably the overlapping paws of a Himalayan brown bear and a cub (the effect of the sun on ice accounts for the enlargement).

The Yeti continues to figure in folklore and myth even today. Even Hergé created one of his more memorable Tintin stories around it, and it still figures in Bengali popular entertainment. As with the subcontinent’s abundant legacy of myths and legends, these stories enrich our society and speak volumes for the richness of our collective imagination. Trying to retrofit them into a tangible reality is futile but also reflects a somewhat pathetic effort at achieving fame.

The power of informality

The informal sector is an untapped reservoir of entrepreneurship that can accelerate the pace of economic growth, job creation and poverty reduction in developing countries

EJAZ GHANI

Informal firms account for up to half of economic activity in the developing world. Contrary to conventional wisdom, their importance has not declined over the last several decades. The persistence of the informal sector has gone hand in hand with a faster pace of structural transformation and pro-poor economic growth.

India is no exception to these global trends. India’s informal sector accounts for over 80 per cent of jobs and 99 per cent of entrepreneurs in the manufacturing sector. Even in highly industrialised states like Gujarat, jobs are expanding in the informal sector. India’s young demographics, and limited employment generated by the formal sector, has increased the future importance of the informal sector. Its flexibility has enabled millions more women to find jobs and better-manage work-life balance.

Despite its huge size and importance, the role of the informal sector in economic development remains controversial. Some view it as the enemy of the formal sector, and as a parasite competing unfairly with law-abiding formal firms. Others say formal and informal firms are fundamentally different and cater to different markets. And optimists view the informal sector as an untapped reservoir of entrepreneurship that can further accelerate the pace of economic growth, job creation and poverty reduction.

We examined these trends in India using plant-level data for formal and informal enterprises in some 500 districts (see Ghani, Ejaz; O’Connell, Stephen D.; Sharma, Gunjan. *Friend or Foe or Family? A Tale of Formal and Informal Plants in India*. Policy Research Working Paper No. 6588. World Bank, Washington, DC. ©World Bank).

Friends not foes

Empirical evidence shows that there are huge horizontal and vertical linkages between formal and informal firms. Informal firms are important suppliers of inputs to formal firms. Employment and output have increased in the formal sector in those states in India that also have a greater presence of informal firms. Conversely, informal employment and output are greater in those states that have a greater presence of formal buyers of inputs. Formal enterprises are more competitive in the presence of informal firms, as they change their product mix, adapt to new technology, and outsource more labour-intensive tasks to informal firms. The input-output linkages between formal and informal firms are very strong.

A 10 per cent increase in employment and output in the informal sector is associated with a 16 per cent increase in employment in the formal sector and increase in output by 12.6 per cent. As formal enterprises become more productive, they demand better inputs from informal enterprises, and strengthen the forward spillovers. The backward spillovers are also strong, as informal enterprises purchasing from formal enterprises induce greater output in the formal enterprises. Although the productivity of the informal sector is more important for the formal sector, than vice versa, the two sectors act like friends and family members supporting each other. These linkages generate huge spillovers by working together.

New forms of globalisation

Much of the manufacturing sector’s employment growth has come in the form of informal establishments in the tradable sector. The exceptional increase of employment in the informal tradable



sector in India exceeded 10 million jobs, equivalent to the entire net growth of the manufacturing sector. This rise in the informal tradable employment coincided with a strong decline in the non-tradable sector. The concentration of informality in the tradable sector suggests that the growth in traded industries is not due to plants achieving larger economies of scale and shipping goods at a distance, as might have initially been imagined, but an important role played by the informal sector. Informal firms in the tradable sector provide an opportunity to leapfrog the development process, by connecting to global value chains, resulting in greater opportunities for domestic suppliers, increased exports, and higher productivity.

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business ownership, subcontracting, and “push” entrepreneurship (entrepreneurs who start businesses out of necessity rather than growth desires) played a smaller role in the rise of informality.

Emerging pro-poor growth agenda

The vast informal sector affects everything from structural transformation, the allocation of activity in the economy, job creation and poverty reduction. Conventional wisdom has focused on the formalisation of the informal sector, but this has not been very successful in most countries. It drives informal establishments out of business, leading to destitution of informal workers and entrepreneurs. Shifting the focus towards strengthening the linkages between

formal and informal firms needs more attention. Economic growth is the cure for informality, and the policy focus should be on boosting the informal sector, strengthening their linkages (product, input, financial and technological) with formal firms, and unleashing the untapped reservoir of entrepreneurship.

The role of urbanisation in strengthening the dynamism of small firms deserves more attention. Cities generate huge agglomeration economies and externalities, and this is greater in the informal compared to formal sectors, which makes a strong case for informal development being an integral part of the urbanisation strategy. Urban planners need to find ways to ensure that informal enterprises are integrated into urban plans, they participate in government procurement schemes, and their concerns are reflected in policy-making processes on land allocation, zoning regulation, and urban infrastructure services. The more the city mayors recognise the influx of the informal sector in cities, and design appropriate policies and investments to support it, the more effective pro-poor growth policy interventions will be.

Industrial and trade policies too should not be targeted just on formal enterprises. Friendships and linkages between formal and informal firms can open new doors for economic growth, job creation, and gender inclusion. Policies are needed to improve access of informal sector to finance, training, technology, quality and productivity, which can induce the formal sector to outsource more higher-end tasks to the informal sector.

The informal economy has played the biggest role in reducing extreme poverty, but this is not enough. The rise of the informal sector is also associated with the rise in the number of people living with no social safety nets. Informal workers may not be poor today, but they can easily fall back into extreme poverty, due to economic shocks.

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Why NYAY is unlikely to deliver results

SWATI NARAYAN

The Congress Party’s poll promise of Nyuntam Aay Yojana (NYAY) has earnestly attempted to shift the pre-election sluffest to real-world priorities. An injection of one to two per cent of GDP is undoubtedly welcome, in a country renowned for social underpending. But while details are sketchy, unless the strait-jacket design of “₹6000 per month to 20 per cent of the poorest households” is judiciously fine-tuned, NYAY is unlikely to reap its full potential of anti-poverty or political dividends.

For one, NYAY targets a mere fifth of Indian households. For perspective, the National Rural Employment Guarantee Act (NREGA) provides employment to as many homes at a sixth of the cost. Further, currently a poor Bihari family will receive ₹72,000 annual NYAY handouts without lifting a finger, which is more than the maximum NREGA wages they can earn across four years. So, it is unclear if the maths of this cash transfer makes prudent fiscal sense. It is also unlikely that NYAY’s restricted coverage will sufficiently translate into a pan-Indian vote magnet.

Crucially, NYAY as a “surgical strike” on the poorest quintile erodes the fundamental advantage of Universal Basic Incomes (UBIs) as universal transfers. After all, as Amartya Sen has pointed out, “benefits meant exclusively for the poor often end up being poor benefits.” A recent “Hit and Miss” Development Pathways research, of 38 cash transfers across low and middle-income countries, demonstrates that poverty-targeted programmes ironically miss over half of the poorest quintile of entitled recipients. The exclusion rate of intended beneficiaries ranged from 97 per cent in Rwanda’s Vision 2020 which used community targeting to 44 per cent in Brazil’s Bolsa Familia even with the simplest means-test.

Similarly, NYAY’s centralised income cut-offs especially in a country with entrenched rent-seeking is likely to increase the vulnerability of the poor to middlemen. In the last five years, for example, four of every five families with starvation deaths, predominantly dalits, adivasis and minorities, were invariably denied their eligible subsidies. NYAY too, if opaquely targeted, even with the best of “data science”, is unlikely to stem this inhuman starvation in the sweltering heat of rural oppression. Instead, lucid universal “categorical targeting” increases the agency of beneficiaries to be aware of and demand their rights. Georgia’s Old Age Pension paid to all the elderly or Mongolia’s universal Child Money Programme for all children under 17 years, had error rates of less than two per cent.

Therefore, riper than experimental pilots, the time is ripe to expand time-tested lifecycle safety nets, championed by social movements for decades, which

could be neatly dovetailed into NYAY. These could include a diverse basket of cash transfers.

For instance, while NYAY can subsume social pensions the lifeline must also be universalised. Currently, more than half of the 160 million elderly, widows and differently-abled persons are excluded as those below the poverty line (BPL) or income thresholds are eligible. Worse, the centre pays only an insulting ₹200 per pensioner each month at a tight-fisted 0.04 per cent of GDP, among the lowest in the world. Instead, as illustrated by Jean Drèze, one option is for NYAY to provide individual rather than household entitlements to all pensioners of at least ₹1200 per month.

The second crying need, especially after the suppressed job survey pegs unemployment at its highest peak in 45 years with women acutely impacted, is an urban employment guarantee akin to NREGA. Recently, the victorious Congress in Madhya Pradesh has already introduced a scheme, modelled on Tripura and Kerala. A similar nationwide urban guarantee can be rolled out at the proposed national floor minimum wages.

Lastly, it is paramount to halt starvation deaths. While the National Food Security Act (NFSA) feeds 75 per cent of the rural population, due to pervasive corruption, elite capture and Aadhaar, acutely marginalised families remain vulnerable to exclusion. On the other hand, Odisha, West Bengal and Chhattisgarh with universal coverage, have had fewer deaths. So, the NFSA can be universalised solely in rural areas or left-out families compensated with a cash allowance.

The cumulative cost of these three initiatives for social pensions, urban employment and rural allowance would be less than the current peak NYAY estimates of ₹3.6 trillion, with double the reach of at least 110 million families and fewer expected exclusion errors. There are also several other options to slice the cake.

However, one aspect of NYAY which is insufficiently appreciated is the transfer to female heads of households, as highlighted by Priyanka Gandhi, unlike the BJP’s farmer support PM-KISAN. Given that intra-household distribution of resources in India, including food, is heavily gender-biased, the three proposed NYAY variants will further strengthen the support for poor women — to tide over women’s disproportionate brunt of unemployment, care-giving of the elderly and household kitchens.

In any case, the mere announcement of NYAY on the back of PM-KISAN heralds a welcome new competitive chapter in electoral politics to prioritise welfare. This alone is a giant leap forward. Now the electoral pulse of the nation will determine the verdict on NYAY and its potential variants — to cash in on time-tested lifelines.

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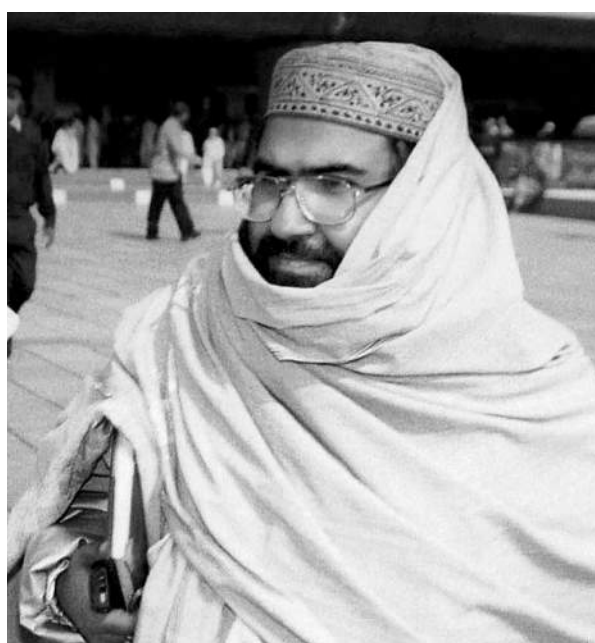
OTHER VIEWS

Naming of Azhar as global terrorist a victory for India

But this chapter will end only when Pak take steps to shut down the JeM

Only The designation of Masood Azhar, the leader of the Jaish-e-Mohammad (JeM), the group behind most of the recent big attacks in India from Pathankot to Uri and the February 14 bombing in Kashmir that killed 40 CRPF jawans, is a diplomatic victory for India. Though JeM itself had been designated as early as 2001, Azhar managed to escape the global terrorist tag mainly due to China’s “technical hold” against such listing, including earlier this year, when France moved a resolution in early March, with the US and UK as co-sponsors, after the Pulwama attack. But with several shifts in world politics, and despite its own determination to stand by Pakistan in this matter, Beijing had clearly begun to realise the diminishing returns of shielding Azhar, especially as he was fast becoming known as “China’s favourite terrorist”.

For India, the inclusion of Azhar in the UNSC 1267 list by itself does not bring closure on a chapter that began in 1994 with Azhar’s arrest in Kashmir, the hijack of IC 814 to Kandahar, his release in exchange for the passengers, and his setting up a terrorist shop in Pakistan, which then went on to plan and carry out the 2001 attack on Parliament. Pakistan has to take the next steps required under UNSC 1267, which means it must



freeze Azhar’s assets, impose a travel ban on him, and put in place an arms embargo against him.

The Indian Express, May 3

The Maoist challenge

A holistic solution is needed

The death of 15 security personnel in a landmine attack in Gadchiroli on Wednesday is another grim reminder of the Indian state’s continued failure to crush naxalism. A Quick Response Team was going down the road to Dadpur in Kurkhedra where extremists had set fire to three dozen vehicles of a road construction company earlier in the day when the explosion blasted the team to smithereens. The ease with which the extremists were able to torch so many vehicles is alarming, and the manner in which the response team blithely drove into an ambush is a shocking example of poor planning. In the process, standard operating procedures, including letting a road-opening team lead the

way, seem to have been ignored.

That the naxals should be able to control the narrative, remain on top of the intelligence, stay nimble and several steps ahead of the security planners should be a matter of deep concern. On top of everything else, most of the police personnel who perished in this latest attack seem to have been local citizens. What effect could this have on the larger process of weaning away the populace from the naxalites? Reality beckons. Even in the prevailing circumstances of a hostile external environment, India cannot afford to take the challenges of internal security lightly.

The Hindu, May 3

An unhealthy situation

EC must respond to people’s concerns

Independent institutions tasked with guarding the democracy thrive on public confidence. The Election Commission, for example, has the enormous task of ensuring free and fair elections throughout the country. At the time the democratic republic was taking shape, however, even the most visionary of statesmen could not have foreseen the complications and conflicts, the multiplying ideologies, higher stakes and canny strategies that the burgeoning democracy would bring forth with changing times and mindsets. The model code of conduct for elections has always been a token of its firmness and fairness, something everyone can fall back on.

So it is deeply unfortunate

that the 2019 elections and a few assembly elections in the last five years have gradually been denting public confidence. Early in April, 66 retired bureaucrats took the unprecedented step of writing to the president of India a letter expressing their pained doubts about the EC’s neutrality. It is not that the EC has fallen completely silent regarding MCC violations. But, in spite of admonishing Mr Adityanath for talking about “Modiji ki sena”, the EC finds no violation in Narendra Modi’s exhortation to first-time voters to cast the first vote in the name of Balakot and Pulwama. It is best if the EC thinks of ways to respond to people’s concerns.

The Telegraph, May 3