



The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

LISTEN TO HIM

Instead of looking for ex-CEA's motives, all sides would do well to address the key questions his paper raises on the slowdown

THE INDIAN ECONOMY may have grown at an annual rate of just around 4.5 per cent during 2011-12 to 2016-17, according to an article written in this newspaper by Arvind Subramanian. This figure is much lower than the official estimate of 7 per cent for the same period. The growth overestimation of 2.5 percentage points is significant not only for its coming from the former chief economic adviser, but also for the fresh questions it raises over the new methodology followed in computation of GDP. Subramanian has consciously sought to steer away from any political controversy by pointing out the fact that the period for this analysis covers both the UPA-2 and the NDA-2 government. Moreover, the shift in methodology — from a predominantly volume-based to a value-based measurement of GDP to better capture qualitative changes in a modern, dynamic economy — were initiated under the UPA regime, resulting in a bump-up of growth in its last year (2013-14). In other words, nothing “political” should be read into Subramanian’s piece, which provides a strong case for a relook of the new GDP estimation process as well as the high-growth assumptions guiding policymaking in the last few years.

What Subramanian has done is to track the performance of 17 indicators — electricity, steel, cement and petro-products consumption; two-wheeler and commercial vehicles sales; exports and imports of goods and services; and bank credit growth, among others — that are considered reliable proxies for economic activity. The interesting finding is that while in the period before 2011-12, these indicators strongly correlated with GDP growth, the one-to-one relationship broke down subsequently. That this negative correlation is coterminous with the introduction of the new GDP series from 2011-12 cannot be baulked at. Subramanian traces the overestimation of GDP primarily to the manufacturing sector. In pre 2011-12, value added in manufacturing tended to move in line with the index of industrial production and exports for this segment. But there is very little connection between these post 2011-12. The Central Statistics Office’s use of the Ministry of Corporate Affairs’ (MCA) financial data for companies, as opposed to establishment-based production data, has been questioned by many researchers for a lack of transparency and consistency.

Subramanian’s analysis should help generate useful debate over the current methodology for computation of GDP. The CSO should, as a first step, invite independent economists and statisticians to deliberate on it. The MCA, too, should provide access to its companies’ database to researchers for independent validation. Equally important, if the economy has indeed been growing at well below what the official GDP data shows, it raises concern over what seems to have been an overly tight monetary policy since the time of Raghuram Rajan as Reserve Bank of India governor. That the RBI has in the past few months displayed more flexibility is probably an encouraging sign.

HEALING A WOUND

Verdict in Kathua case is a reassurance that the criminal justice system can hold its own in a politically fraught moment

AN INNOCENT EIGHT-YEAR-OLD minor girl has been kidnapped, wrongfully confined, drugged, raped and ultimately murdered. The perpetrators of this crime have acted in such a manner as if there is a ‘law of jungle’ in society,” Pathankot Sessions Court Judge Tejwinder Singh said on Monday, marking a closure of sorts to a case that had stunned the nation about 17 months ago. The heinous crime was committed in Kathua in Jammu and Kashmir. But the Supreme Court (SC) had to step in and transfer the trial from the Kathua District Court to a court in neighbouring Punjab after a series of unprecedented developments — lawyers obstructed the filing of the chargesheet and cast communal slurs on the investigating team, protests were held in support of the accused and two BJP ministers in the then PDP-BJP coalition government in J&K demanded a CBI investigation. The apex court, aptly, refused to accede to the demand for such a probe. Doing so would have undermined the sanctity of due process and, more dangerously, amounted to accepting the argument that the investigating officers were influenced by religious considerations.

The victim, from the nomadic Bakarwal community, had gone missing on January 10, last year. An FIR was registered two days later, following a complaint by her father. But by all accounts, the probe was taken up in right earnest 10 days later, after the case was handed over to the J&K crime branch. This investigating team had to work against difficult odds, and in a challenging milieu. The accused had reportedly destroyed crucial evidence. More worryingly, the communalisation of the sordid incident by pro-Hindutva elements aggravated the polarisation in Jammu between Hindus and Muslims, and threatened to widen the faultline between Jammu and Kashmir regions.

Since May last year, the in-camera trial was conducted on a daily basis. The J&K government had opposed the transfer of the case, but the SC’s stand was actually a vote of confidence for the state’s crime branch that was put under duress by the communal taints. The sessions court has sentenced three of the accused to life imprisonment and three policemen to five years in prison for destruction of evidence. The verdict — and the investigation process — is a reassurance that the country’s criminal justice system can hold its own in a communally-charged and politically-fraught moment.

CHARITY, FOR \$58,000

Young billionaires can now learn how to take on the task of governments — redistributing wealth

GIVING AWAY MONEY, it turns out, is an expensive proposition. Or, to be less blunt, if you stand to inherit billions and yet, your conscience eats away at you at the inequality in the world, it will cost a mere \$58,000 (Rs 40,29,463 as of June 11) and a few weeks at Harvard University and the University of Zurich to learn the intricacies of “impact capitalism”. Essentially, the course appears to be a primer to get rich while doing good, and presumably, preening with self-congratulation as you have an “impact” while making the big bucks.

Now, those who haven’t been to Harvard to learn how to spend their inheritance may ask the obvious question: If the millennial billionaires are so torn up about poverty, wouldn’t it just be easier to give away \$58,000? And those who don’t have an inheritance to speak of will ask: Does the pull of conscience need to be buttressed by proof of profits? In fact, the course on offer at Harvard and Zurich (shame on those seeking a cheap punchline around Swiss bank accounts) is not only a waste, it’s redundant. As far back as 1988, the Hindi film industry tackled the question of spending money to make in *Malamaal* and all young billionaires need to do is invest in subtitled the film before watching Naseeruddin Shah hilariously overcome all manner of obstacles in getting rid of his money.

According to James Gilford, the founder of the course at Harvard, “the heavy lifting of say, pulling a billion people out of poverty, has to be through sustainable capitalism”. The billionaire bleeding hearts, whether knowingly or unknowingly, seem to want to eliminate the middle man: After all, the task of taking from the (super) rich, and redistributing some of their excess wealth into social wealth and public goods is the traditional arena of governments. Who would have thought that there was a profitable market in making anarchists out of the super-rich.



SHYAM SARAN

WHAT BEGAN AS a trade dispute between the US and China has now morphed into a full spectrum strategic contest which is unlikely to abate any time soon. The one point the two sides agree upon is precisely that they are locked in a geopolitical contest and that its resolution will have to be the unquestioned dominance of one or the other. Neither accepts that multi-polarity is feasible in the sense that a cluster of major powers could construct a loosely structured but stable international order as a contemporary version of the European order set in place by Congress of Vienna in 1815.

The new hegemon, it is predicted, will be a rejuvenated US, which has seen off the Chinese challenge as it did the Soviet challenge in the Cold War. Or China will overtake the US and emerge as the undisputed hegemon in the current millennium. The resolution of the contest may take time so there will be a bi-polar world in the interim. Chinese analysts envision a process in which China will initially establish predominance in the Western Pacific pushing the US out towards the outer oceanic rim and then proceed to establish global pre-eminence. It is no coincidence that in its first ever Indo-Pacific Strategy Report (IPSR) released by the US on June 1, it is explicitly stated that China is a revisionist power which “seeks Indo-Pacific regional hegemony in the near-term and ultimately global pre-eminence in the long term”.

If an extended period of inconclusive contestation between the two countries is likely, how will it be different from the US-Soviet stand-off after World War II? China and the US are more evenly matched in economic terms, with China almost certain to overtake US GDP in nominal terms by 2030. China is also catching up with the US in technological prowess, with massive investments in new technologies such as artificial intelligence, quantum computing and advanced electronics. Soviet GDP never exceeded 40 per cent of US GDP and its technological capabilities, though impressive, were no match to the US. Further, there were hardly any trade and investment relations between the two while

As US-China competition intensifies, why India should refrain from taking sides

India’s relationship with the US will carry greater weight than relations with China which remains an adversarial power and is unwilling to change this equation. It would be natural for India to seek to compensate for its power asymmetry with China by strengthening its partnership with other countries which share its concern over the propensity of China to assert power unilaterally. China is not looking at India to be its ally. It is enough that India does not become an ally of its adversary. That should suit India.

China and the US are joined at the hip in a dense investment and trade relationship which will be difficult and painful to unwind for both.

China does not have allies and a string of bases across the globe like the US but the infrastructure being created through its Belt and Road Initiative (BRI) across the globe could be transformed into a security platform over time. Russia may move closer to an alliance with China and this could tip the balance in favour of the latter. Furthermore, the US-led alliance systems are under strain as a result of policies adopted by the current Trump Administration and its actions do not always align with the intent displayed in the IPSR. Therefore, the progressive polarisation of US-China relations, interspersed with phases of remission, is likely to persist. There may be a stalemate overall at least over the next decade and beyond. Will this stalemate define the global order or will there still be spaces for other emerging powers like India to advance their interests?

While China and the US may find it in their interest to define the new world order as a binary contest between their competing visions and capabilities, the defining characteristic of the current international trend is the steady diffusion of political, economic and military power rather than its concentration in this or that country. China’s emergence is in itself the consequence of such diffusion inherent in the process of globalisation, which in turn is a creature of rapid technological advance. Thomas Friedman’s flat world is a reality though he himself has doubts about it now. The limits of coercive power have been made sharply apparent in failed and costly wars in Iraq, Libya and Afghanistan. China too confronts countervailing winds whenever it steps beyond a threshold of assertion. Therefore, the shadow of the US-China confrontation will not fall across all other relationships with the rigid harshness of the previous Cold War.

India should be successful in resisting demands to choose one side of the fence or the other, because the fence itself will be rickety and shifting. Appropriate to the diffused

geopolitical landscape is a policy which enables promotion of India’s interests through multiple circles of engagement. The old East-West, North-South divides have become progressively less and less relevant though they still influence our foreign policy perspective. We will have to actively seek partnerships which are more issue based and hold the promise of advancing India’s economic and security interests. In this sense, some partnerships will be more valued than others but need not be exclusive.

India’s relationship with the US will carry greater weight than relations with China which remains an adversarial power and is unwilling to change this equation. It would be natural for India to seek to compensate for its power asymmetry with China by strengthening its partnership with other countries which share its concern over the propensity of China to assert power unilaterally. China is not looking at India to be its ally. It is enough that India does not become an ally of its adversary. That should suit India.

In our contemporary world, most of the challenges we face are cross-cutting in nature and global in dimension. They cannot be solved through national efforts alone. Nations cannot be coerced into joining international responses directed by major powers. It is only through collaborative platforms based on consent and multilateral processes which respect the principle of equity that solutions are likely to be found to the looming threats of climate change, global health pandemics, the unregulated development of cyber, bio-tech and space capabilities and proliferation of weapons of mass destruction. Coercion will remain indispensable but not sufficient to enhance a country’s influence. Leadership in mobilising international responses to such challenges may be more important. As India grapples with a changing world, it would be wise to retain the internationalist spirit which marked its foreign policy in the early years after Independence.

*The writer is a former foreign secretary and is currently senior fellow, CPR*



SANJAY KANVINDE AND GAUTAM BAMBAWALE

THE 5G GAME

If it plays its cards right, includes stakeholders, India stands to gain

THE FIFTH GENERATION (5G) of wireless technology provides mobile internet speeds 10 times faster and will connect billions of new devices to the internet that will in turn help transform a wide range of services and industries. It is estimated that the total economic impact from 5G in India can exceed \$1 trillion by 2035. India is considered a prized market for global 5G manufacturers — Ericsson of Sweden, Nokia of Finland, Samsung of South Korea, and Huawei and ZTE of China. Considering the enormous size of the global 5G market, an economy’s deep dependency on modern telecom infrastructure, and national security imperatives, some countries have expressed concerns about Chinese companies, and the US has gone to the extent of banning Huawei and setting up a “5G Rivalry”.

As the “5G Rivalry” plays out and draws other countries into it, India needs to take a long-term view and place its interest front and centre. India’s interests are threefold.

First, bring the full benefits of 5G to the people and economy at the lowest cost and in the shortest time possible. It is in India’s benefit to not exclude any players from the small set of 5G equipment vendors. It is to our advantage to keep competition high, telecom equipment pricing low, and access to the full range of technology options open.

Second, minimise any security risks to critical telecom infrastructure. To do this, the nation should perform an integrated threat assessment that provides a “common threat perception picture” — this is best done by a multi-stakeholder and multidisciplinary (pri-

The government should encourage capacity building in Indian companies for ‘5G deployment services’ such that Indian talent can be used across the world. For vendors winning large 5G contracts in India, preferential agreements with Indian software companies could be considered.

vate-sector led) task force. This assessment should be followed by a realistic risk mitigation programme orchestrated by an empowered and accountable institution such as the National Critical Information Infrastructure Protection Centre (NCIIIPC). India has gained solid experience from 3G and 4G deployments that will be useful in 5G. However, all stakeholders will have to augment existing structures and capacities for testing, audits and equipment validation to cover the new risks from billions of new devices connecting to the 5G network. India can also consider forming a techno-diplomatic alliance with countries at risk from the same telecom products and create an information sharing and competency building agreement with them — Russia, Japan, France, and Germany are some of the potential partner countries. For extremely sensitive applications or geographical concerns, of course the government always has a last-resort choice to establish “no-go” zones for specific equipment on a case-by-case basis. It is important to note that as much of the 5G investments and implementation in India will be by private entities, balancing their short to medium term corporate objectives with long-term national concerns around cyber-security and infrastructure protection will require policies and a collaborative approach to implement these policies.

Third, maximise India’s opportunities for value creation from the global 5G revolution. India has limited intellectual property in 5G technologies and is largely going to be a buyer of this technology. However, the size

of the Indian market and our strengths in services and software create some opportunities for symmetric dependencies and value creation. For example, global deployments of 5G are expected to continue over the next decade and will require skilled labour to design, install, and monitor these networks. The government should encourage capacity building in Indian companies for “5G deployment services” such that Indian talent can be used across the world. For vendors winning large 5G contracts in India, preferential agreements with Indian software companies could be considered. Additionally, setting up “use-case validation and development centres” should be incentivised to develop new applications of 5G that are most relevant to India’s social development such as health, education, agriculture, transportation and Water. These solutions can also be exported.

Telecom technology generations evolve in decade time-frames. It will take foresight and strong execution of a national plan to make India a relevant player in the next evolution of telecom technology.

If India plays this situation right and plays to win, we can not only bring timely and affordable 5G to India, but do it with due consideration to our security concerns and even get an upside from our engagement with the global 5G revolution.

*Kanvinde is with the Pune International Centre, Bambawale, a former Indian ambassador to China and Pakistan, is also with PIC*



JUNE 12, 1979, FORTY YEARS AGO

PM IN MOSCOW

PRIME MINISTER MORARJI Desai flew into Moscow to a warm reception by the Soviet leadership with Leonid Brezhnev driving up to the Vnukova airport to receive him. Also present at the airport were Soviet Prime Minister Alexie Kosygin, Foreign Minister Andrei Gromyko, and other leaders of the Soviet Union. Those who keenly watch the subtleties of Soviet protocol say Brezhnev’s decision to receive the Indian PM indicates the importance Moscow is attaching to the talks with Desai. This will be the first time Brezhnev and Desai are meeting since the Indian prime minister visited the Soviet Union two years ago, although Kosygin had

long talks with Desai only in March this year.

CURBING FREE PRESS

THE RECENT EXTENSION of the Industries (Development and Regulation) Act to the printing industry has dismayed the votaries of press freedom. They view the amendment of the Act as a backdoor method to strengthen the government’s stranglehold on newspapers in utter disregard of the pledge given in the Janata Party manifesto — to safeguard the freedom of the press by repealing the Prevention of Publication of Objectionable Matters Act and restoring immunity in reporting legislative proceedings. While the draconian legislation has been repealed, the

amendment of IRDA has given the government powers to control every aspect of the newspaper industry, including production, distribution and management.

INDIA-USSR SPACE TRIP

SOVIET PRESIDENT LEONID Brezhnev proposed that India and the Soviet Union should carry out a joint space flight with an Indian cosmonaut in the 1980s. Brezhnev made the offer at the summit meeting with PM Morarji Desai at the Kremlin. Desai said India will give deep consideration to the proposal. He thanked the Soviet Union for assistance it had given to India in the past in space and other scientific and technical fields.





# THE IDEAS PAGE

## Must've been glove, but it's over now

MS Dhoni has always pushed for the sport to remain just a sport. His army-logo glove has needlessly raised the stakes of what is just another India-Pakistan game at the World Cup this weekend



SANDEEP DWIVEDI

MAHENDRA SINGH DHONI is a very private person. He doesn't take phone calls, avoids in-depth interviews, didn't invite teammates for his wedding and was hyper-secretive about quitting Test captaincy. A uni-expression recluse, India's most-famous and least-understood superstar has kept the world at arm's length.

Of late, he has changed. Admired for bottling up those inexpressible emotions — anger, anxiety and elation — inside him for close to a decade and a half, Dhoni, these days, has been unusually open about his fanboydom for the fatigues. After initiating the Indian team's move to wear military hats for a home one-dayer few months back, Dhoni chose the World Cup stage to put the commando dagger para-military insignia on his wicket-keeping gloves.

Long before he pushed the envelope in England, got ICC to google "Balidan badge" and made the moustaches of the television studios to ramp up their angry act, Dhoni had always been an obsessive army adherent. His armed forces fixation is as old as his long-haired Tarzan look.

On the cricket circuit, they say, the best way to engage the cagey cricketer is to mention the army. Not quite a reader, Dhoni is said to be an avid student of military history and tactical warfare. He chose Neeraj Pandey, a movie-maker who weaves covert military operations stories with fatigue intrigue (*Baby, Aiyaa, Rustom and Naam Shabana*), to helm his biopic. Among his closest friends is an ex-armyman.

On one England tour, he met a local hot-shot politician. They got talking about tanks and fighter planes. Folklore has it that the stumped Englishman, after the chat, said Dhoni had it in him to be defence minister.

His captaincy too had a bit of army leadership to it. There were no long team meetings and one-on-one with freshers were rare. The team worked on a strictly need-to-know basis. Dhoni kept his mind and team uncluttered; his clear thinking giving India two World Cups and a long stint as the No 1 Test team.

Back in the day, Dhoni would often go incommunicado between series. After persistent pestering about his whereabouts, his minders would reveal, "He was at an Army unit, he loves spending time with them. Not for writing, he does not do it for publicity."

In 2011, the World Cup winning captain was made a lieutenant colonel in the Territorial Army. He got his own olive greens. Those close to him say, he couldn't sleep that night. Now, he was more public about his love for troops. He posted pictures with guns, visited J&K in uniform, and then, his fascination for the fatigue sneaked on to his glove. The Balidan emblem he fashioned belongs to the elite special forces of the parachute regiment, who undergo arduous impossible-to-imagine-for-a-civilian training — both physical and psychological — to earn that badge.

Mind you, Dhoni wasn't pretending to be one of them. His act needs to be firmly seen as that of an earnest fan-boy who looks up to the elite soldiers with unabashed star-struck reverence. Probably, similar to a football fan piously donning a ManU jersey or a Marvel buff sneaking to school a geometry box with a Thor sticker on it.

It's not too different from that never-out-of-fashion Top Gun hat-tip — bomber jackets, aviators and dog tags. Picked from the merchandise shops, this paraphernalia has for years been popular with SSB rejects, and



CR Sasikumar

over-protective mother's pets kept away from defence services or plain war-movie or Tom Cruise buffs.

Last year, for the Padma Bhushan ceremony at Rashtrapati Bhavan, Dhoni wore his army uniform with all its accompanying glitter. So used to seeing him in cricket gear, it felt mildly awkward to see him in the new "officer" avatar. Dhoni's makeover wasn't cosmetic. Inside the intimidatingly grand Durbar Hall, with the prime minister in audience, he marched towards the dais. While his sparkling cricketing achievements were being read out, the most-popular awardee that day went left-right-left-right, half-step turn, left-right-left-right.

A revered Indian captain wearing the much-respected uniform for an august occasion, the frame was too distinguished to be brutally dissected. But there was no denying it looked awkward and out-of-place. A blazer with a BCCI logo would have been apt. It was like turning up for your medical school convocation wearing an advocate's gown or sporting NCC khakis while getting a medalion for academic excellence.

But by bringing his fanhood for the fatigues to the cricket field, Dhoni crossed the line. Maybe, in his uncomplicated mind, this was a novel gesture to support armed forces, a grandiose follow-up after the team's heart-felt financial support to families of the men in uniform killed in the line of duty.

But he was missing an important point. The military look of cricketers was blurring that very important line that separates a sporting contest between neighbours and a cross-border skirmish where men lose lives. Wearing military hats on the 22 yards was a knotty issue and downright hostile to a foreign land. It wasn't some fauji theme-party. This had layers.

Dhoni, for one, has always pushed for the sport to remain just that, a sport. Before every India-Pakistan game, he would be guarded with his words. The then captain would bore you to death by repeating the classic pre-match day de-escalation cliché "it's just another game of cricket". Contrary to that, in these hyper-sensitive times for Indo-Pak relations, Dhoni's army logo glove has changed the context of the World Cup's most-anticipated match next Sunday. It has needlessly raised the stakes of what is actually "just another India-Pakistan game".

Militarising machismo can be easily perceived as unwarranted baiting. Combat caps for a game in Ranchi against an indifferent Australia was something the ICC had let pass.

Military symbols aren't just about valour and patriotism; commando daggers are also reminders of war, death, orphans and widows. Sport is also about winning and losing but it's also about shaking hands at the end of the contest. And do India's forces need validation frankly, piggybacking on the popularity of a cricket hero? His fandom of the fatigues notwithstanding, Dhoni should have known — cricket has the luxury of reviews, wars are grim affairs with no second chance.

Expecting to be allowed a special forces badge days before an Indo-Pak square off was always fraught. Imagine Pakistan launching a tit-for-tat logo war, or worse, England strapping on SAS symbols or Australia brandishing their insignia when playing Afghanistan. This muddies the water, it brings on field those unwanted non-cricket actors.

In days to come, voices of cricket pundits will be drowned by bickering professional war-mongers on either side of the border, each jostling for their 15 minutes of fame. Quick on the button, Pakistan's science and technology minister has set the tone. He didn't miss the chance to show his mythological proficiency by saying that Dhoni was not in England for Mahabharat. It was enough for television studios to conduct cross border shout-athons, send reporters to the Wagah border and invoke the inner Sunny Deol of unsuspecting morning walkers who were suddenly live on national television.

This happens every time India plays Pakistan, but this weekend things will be different. On the television screens, when those nauseating rabid debates are on, will be the face of India's least-provocative cricketer with cult status.

The olive green hue to India-Pakistan cricket contest was outrightly avoidable. The result of an India-Pakistan game doesn't just decide the mood of the nation, but it unfortunately becomes the commentary on the assertion and aspiration of the two countries. The scoreboard that isn't even a reliable assessment of the skills and athleticism of the 22 on field, gets treated as a nation's report card. So, in this backdrop, imagine if the ball pops out of Dhoni's Balidan gloves and the edge is from the bat of Pakistan opener Fakhar Zaman, who is also wearing his employer Pakistan Navy's crescent and star on top of an anchor logo. Mixing sport and the armed forces isn't good for either's reputation.

Dhoni should have known this. Military symbols aren't just about valour and patriotism; commando daggers are also reminders of war, death, orphans and widows. Sport is also about winning and losing but it's also about shaking hands at the end of the contest. And do India's forces need validation frankly, piggybacking on the popularity of a cricket hero? His fandom of the fatigues notwithstanding, Dhoni should have known — cricket has the luxury of reviews, wars are grim affairs with no second chance.

sandeep.dwivedi@expressindia.com

## WHAT THE OTHERS SAY

"Just when the [Pakistan] government is about to undertake one of the most intense economic adjustments in our history, it finds itself embroiled in a clash of wills with the political opposition, the lawyer fraternity, and the business community of the country."

— DAWN

## The middle income illusion

There is no economic evidence to support the notion of middle income trap



BIBEK DEBROY

IS THERE A middle income trap? Words have multiple meanings. The word "trap" has three major meanings — trap(1), a situation one can't get out of (trap shooting comes from that); trap(2), mouth; and trap(3), a horse-drawn carriage. Outside of literature (often old), I have not come across trap(3) being used for a long time, certainly not in India. Trap(2), as in, "shut your trap" is colloquial and also rare in India. There certainly is a middle income trap, interpreted as trap(2), though people who use the expression mean it in the sense of trap(1).

Economists are usually known for their precision. When they use the expression "middle income trap", they should define what they mean by "middle income", "trap" having hopefully been defined. I have said that economists should be precise. They aren't always, and presume that like the "Khan Market consensus", there is a "middle income trap consensus". The World Bank has a definition of middle income. It is a range of per capita income between \$996 and \$12,055, with \$996 to \$3,895 defined as lower-middle income and \$3,895 to \$12,055 defined as upper-middle income (the thresholds are often changed, these are 2019 levels). With a per capita income of around \$2,000, India is still a lower-middle income country and \$12,055 is a long way off. With a per capita income of \$12,055, India's economy and society will be vastly transformed. Nevertheless, like Vitalstatistix, we must worry about these vital statistics. What happens when we cross that threshold? What happens if the sky falls on our head tomorrow?

These numbers are based on official exchange rates, the so-called nominal per capita GDP or Atlas method figures. But a country's per capita income is in local currency, that is, rupees. For purposes of cross-country comparisons, they have been converted through a common numeraire, the US dollar. For the sake of sheer perversity, just before 1991 reforms, it was Rs 20 a dollar and right now, it is about Rs 70 a dollar. Had that exchange rate continued, under an economist's favourite expression of *ceteris paribus* (everything else remaining unchanged), the per capita income would have been around \$7,000 now — closer to the threshold and perhaps, a reason to worry even more. Typically, when economists use the trap idea, they at PPP (purchasing power parity) dollars, using PPP exchange rates, not official exchange rates. India's PPP per capita income is now around \$7,000. Through sheer coincidence, it is identical to the number obtained by using Rs 20 a dol-

lar as the exchange rate. Do countries get stuck in the middle income range, PPP or otherwise? Might India get stuck?

The grist to the mill is usually provided by empirical research, documenting the development experience of a diverse range of countries. I know of two such recent surveys of literature on the middle income trap proposition. The first was by Fernando Gabriel Im and David Rosenblatt, published as a World Bank Policy Paper in 2013. The second was in the Economic Survey 2017-18. Both found no evidence. The Economic Survey also said, "But, recently doubts about the convergence process have been articulated around the notion of a 'middle income trap', can themselves be traps so it is important to be careful about them." Who pays attention to such advice when trap(2) beckons? The Survey added: "The reasons for the trap/stall were supposed to be two-fold, operating as a kind of pincer. On the one hand, as countries attained middle income status, they would be squeezed out of manufacturing and other dynamic sectors by poorer, lower-cost competitors. On the other hand, they would lack the institutional, human, and technological capital to carve out niches higher up the value-added chain. Thus, pushed from below and unable to grasp the top, they would find themselves doomed to, well, middle income status. As it turned out, there was neither a middle income trap nor stall. Middle income countries as a group continued to grow as fast or faster than the convergence standard demanded."

In this quote, conceptual arguments behind the middle income trap are also mentioned. The burden of empirical evidence is — there is no such trap. Note two further points. First, a trap cannot be defined without referring to a time-frame. The time series on PPP per capita is a bit more difficult to get than the official rate per capita. With that caveat, take a look at the time series of any relatively more advanced country. Until a few decades ago (a cut-off in 1960 or 1970 will suffice), all these countries were stuck in middle income traps. Second, the middle income trap is sometimes defined not with respect to an absolute threshold level of per capita income, but with per capita income expressed as a share of US per capita income. Even if one uses this relative notion, the case of a middle income trap existing has not been proven.

Does this mean there are no issues with the Indian economy? Certainly not. After the elections, with a new government in place, plenty of people have come up with agendas for reform. In most instances, these are not short-term quick fixes, but medium-term changes. Therefore, they can rightly be called structural reforms, and the suggestions should be debated, accepted and implemented. Having granted that, the limited point is that nothing is gained by muddying waters through expressions that sound profound, without conveying anything of import.

The writer is chairman, Economic Advisory Council to the PM. Views are personal

## LETTER TO THE EDITOR

### ROADMAP FOR FARMS

THIS REFERS TO the article, 'A New India for farmers, (IE, June 11). The author has highlighted almost every issue affecting the farm sector. The overall growth of agriculture and its allied activities was about 2.7 per cent in fiscal 2018-19, this is lower than the year before. The PM Kisan scheme should be extended along with ensuring adequate provisions of irrigation in this drought season. A broad roadmap should be prepared in consultation with all the ministries concerning agriculture to help mitigate the agrarian crisis.

Archana Sharma, Nadia

### SOFT POWER

THIS REFERS TO the editorial, 'Neighbours first,' (IE, June 11). Prime Minister Narendra Modi's visit to Male and Colombo underlines the importance of these island states in India's foreign policy. It seems a subtle tactic to wean away these countries from Chinese influence. While India cannot compete with China economically, it can use its soft power for influence. It can also extend generous lines of credit, step up initiatives such as joint counter-terror drills and enhance maritime trade and commerce.

Pranay Kumar Shome, Kolkata

### CHAMPION NADAL

THIS REFERS TO the report, 'Dozen get any better: Rafa extends reign with 12th French Open title' (IE, June 10). Rafael Nadal's 12th title at Roland Garros on Sunday bears testament to his lasting prowess as an athlete. The manner in

### LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to

editpage@expressindia.com or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301. Letter writers should mention their postal address and phone number.

THE WINNER RECEIVES SELECT EXPRESS PUBLICATIONS

which he overcame 25-year-old Dominic Thiem in the final was a sight to behold. He has rendered age insignificant by playing like a champion.

SS Paul Nadia

### DIFFERENT TIMES

THIS REFERS TO the article, 'The original Khan Market gang' (IE, June 10). The piece evokes memories of a time when consumerism had not cast its sway on adolescence. It also takes back to an era when malls were not the predominant commercial arena.

Kartik Bakshi, Delhi



## VIEW FROM THE RIGHT

### EDUCATION REFORM

AS THE LONG-AWAITED draft of the National Education Policy has been released for public suggestions and inputs, the editorial in *Organiser* says that surprisingly, almost after a week of the draft being made public, barring a fake uproar over "Hindi imposition", no serious public debate is taking place. The editorial adds that thankfully, there is none of the usual rhetoric over saffronisation or undermining institutions. ("That) there is no negative reaction most probably means the draft craftily addressed the issues of nationalising the education system and the reforms suggested are showing the right direction," the editorial asserts. It adds that the draft policy is reformist and to some extent, ambitious. It seeks to create a National Education Commission through an act of Parliament to implement the policy in

an integrated fashion.

"The recommendations such as national textbooks with local content and flavour, Lok Vidya — knowledge developed in India — to be an integral part of vocational education, setting up of the Special Education Zones in disadvantaged regions across the country and creation of the National Research Foundation are not just path-breaking but in tune with national needs. The best part is without missing the global context, millennium development goals and changing technology, the policy does not neglect the rich and ancient heritage we inherit as a nation," the editorial claims.

Executing all these recommendations will not be easy and making the financial allocation for "investment in education" will be the big challenge.

### KASHMIR'S DOMINANCE

AN ARTICLE IN *Organiser* weighs in on the proposal for a fresh delimitation of electoral constituencies in Jammu and Kashmir. It says that while the whole nation is up in arms against Article 370 and 35A, "most us are not aware that there is something equally important, if not more important," than these

provisions of the Constitution. This has led to abject marginalisation and subjugation of one region of the state over another. "Today we are talking about delimitation of electoral constituencies in the state of Jammu and Kashmir and the scope it carries in addressing majority of the ills the entire State is suffering from. We firmly believe that the discrimination caused by holding up 'Delimitation' has caused colossal marginalisation of one region and exceedingly benefited the other," the article claims. It adds that what is a normal exercise in the rest of India is always loaded with biases and preferences in J&K.

According to the article, "right from Independence" one region has been favoured over the other. It says that the last delimitation in the state took place 25 years ago and that too during Governor's rule in the state. It adds that the state government run by the National Conference 2002 froze delimitation until 2026 by amending the Jammu & Kashmir Representation of the People Act 1957 and Section 47(3) of the Constitution of Jammu & Kashmir. "This has practically frozen the possibility not only of delimitation but the prospect of development and growth of Jammu region which would have naturally

come through more constituencies."

### MAYAWATI'S EXIT

IN THE CONTEXT of BSP chief Mayawati's decision to contest bypolls in Uttar Pradesh separately from Samajwadi Party (SP), an article in *Panchjanya* says that while the unravelling of the alliance was certain, no one had expected that both parties will break the coalition so soon.

It claims that "Mayawati has shown her political farsightedness and proved that SP President Akhilesh Yadav is a 'babua'." It adds that Dalit votes were not transferred and hurt the SP and even three members of the "Yadav family" lost the elections. The article contends that like Congress President Rahul Gandhi, the political career of Akhilesh Yadav is also at stake, given his party's defeat in three elections since 2014. "Actually, SP's voters voted for BSP candidates but BSP voters did not cast their vote for SP nominees. Mayawati was aware that Dalits have not voted for SP and so, without any delay, she alleged that Yadavs did not vote for the BSP," the article says.

Compiled by Lalmani Verma



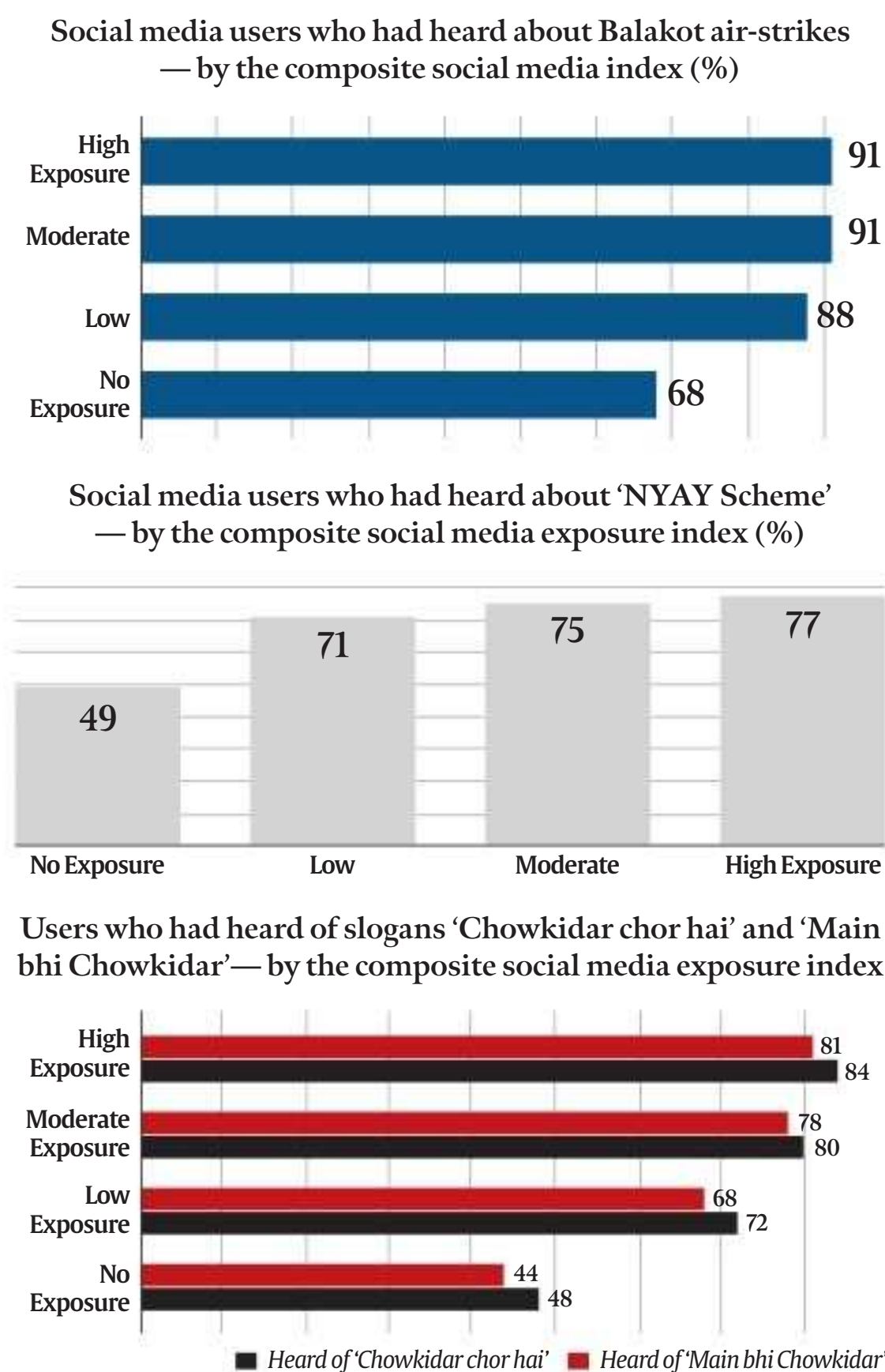


@ieExplained  
#ExpressExplained

If there are questions of current or contemporary relevance that you would like explained, please write to [explained@expressindia.com](mailto:explained@expressindia.com)

## TELLING NUMBERS

### How social media use relates to knowledge of Chowkidar slogans



IN A new study by the Centre for the Study of Developing Societies that suggested social media did not influence the BJP's Lok Sabha victory very heavily — the party's vote share among non-users of social media was comparable to its overall share — one finding was that social media did enhance the reach of the election planks of the main two parties.

For example, almost half the respondents who did not use social media had no knowledge of the BJP slogan "Main bhi Chowkidar" and the Congress counter "Chowkidar chor hai" while four in every five respondents who had a high social media exposure had heard about them. The

overall awareness of "Main bhi Chowkidar" was found to be slightly less than that of "Chowkidar chor hai".

Almost half the non-social media user, again, were found to be unaware about the Congress's promised NYAY scheme, but the Congress did manage to communicate about the scheme to about three-fourth of users with high/moderate exposure to social media. The knowledge about the Balakot air-strikes, meanwhile, was very high across all the sections but the gap between social media users and non-users was found to be more than 20 percentage points.

Source for text and data: Centre for the Study of Developing Societies

## SIMPLY PUT

# Little rain, just one key river

In a state that depends hugely on Narmada and where large regions have limited water resources, rainfall shortage has led to drought or water scarcity in parts of 17 districts. A look at the situation on the ground

PARIMAL DABHI & GOPAL KATESHIYA  
AHMEDABAD, JUNE 11

GUJARAT IS facing a severe water crisis this year with 96 of the state's 250 tehsils, spanning 17 districts, having been declared either drought-affected or scarcity-hit, a majority of these in Saurashtra and North Gujarat. The Gujarat government has declared that there is enough water for drinking until July 31, but water for irrigation is critically unavailable.

#### What is behind the crisis?

**NARMADASHARE:** There was a water crisis last year too, but that was largely because of low rainfall in the river Narmada's catchment area in Madhya Pradesh. Instead of its share of 9 MAF (million acre feet) following a normal monsoon as decided by the Narmada Water Disputes Tribunal, Gujarat got only 4.71 MAF last year. Gujarat itself had not been short of rain in 2017, and most dams were filled up in 2018. This year, though the availability of Narmada water for Gujarat has increased to 6.6 MAF, 6.35 MAF of it has already been released for irrigation, drinking and industry.

**LOW RAINFALL:** Saurashtra received just 317 mm in 2018 (38% below the normal of 511.3 mm) while the rest of Gujarat got 687.6 mm (28% short of 956.3 mm). The rainfall distribution too has been skewed. Kutch district received the lowest at 111 mm, against 464 mm in 2017. In North Gujarat, Patan, Banaskantha, Mehsana, Sabarkantha and Gandhinagar districts recorded significantly lower rainfall than during last year. In Saurashtra, Surendranagar received the least rainfall at 247 mm in 2018, a third of the 856 mm in 2017. Districts like Rajkot, Morbi, Jamnagar, Devbhumi Dwarka and Botad too received significantly less rain.

#### Why is the crisis so severe in Saurashtra and Kutch regions?

These two regions, together 55% of Gujarat's area, hold only 20% of its water resources, with Saurashtra (33% of the geographical area) holding 17% of the resources, and Kutch (22%) holding just 3%. Most of the rivers here run short courses. Except in coastal patches in Mangrol, Mahuva and Talaja and parts of Surendranagar and Morbi districts, quality groundwater is very limited, making the region largely rain-dependent. A number of herdsmen have migrated out of Kutch in search of fodder and water. Though it has huge agricultural potential, Saurashtra sees a drought almost every four years.

#### How much water is stored in the state's reservoirs?

According to a Central Water Commission bulletin of June 5, the live storage in the 10 major reservoirs of Gujarat was 2.568 billion cubic metres (1 BMC = 0.81 MAF) against their total storage capacity of 17.191 BCM, or just 15%. Only Kadana (34%), Panam (35%) and Karjan (32%) were close to one-third of capacity.



Villagers draw water from a shallow well in a tribal area of Navsari in south Gujarat. Javed Raja

In dams, live storage was only 4.52% in 59 dams of Bhavnagar irrigation circle and 5.28% in 79 dams of Rajkot irrigation circle. Water Resources Department officers pointed out, however, that for drinking water, one accounts for gross storage which includes live and dead storage. When live storage is short of capacity, authorities only restrict release of water for irrigation, they explained. Thus, they said, the present gross storage in dams (6.13 MAF, 30% of capacity) in the state is sufficient to last till July-end.

#### How does the government plan to address the water problem?

The state government's strategy has revolved largely around the Narmada Dam project. The project is designed to irrigate 5.15 lakh hectares in Saurashtra and 1.12 lakh hectares in Kutch. This is about one-third of the 18 lakh hectares that is the total culturable command area of the Dam project.

**IRRIGATION:** To augment irrigation facilities in areas not under the Narmada project command area, the government plans to implement the Saurashtra Narmada Avatan Irrigation Yojana. The Rs 16,000-crore project envisages filling up 115 major dams of Saurashtra by channeling floodwaters of Narmada to Saurashtra through existing canals and pumping it to these 115 dams by laying a 1300-km network of pipelines. The project is still incomplete.

**DRINKING WATER:** In this aspect, too, the government has looked largely at the Narmada for Saurashtra, Kutch and North



**96 TEHSILS**  
In 17 districts (marked red) declared drought or scarcity-affected

**15%**  
Live storage in the state's 10 major reservoirs

**38%**  
Rainfall shortage in Saurashtra (28% in rest of state)

Gujarat. The government has laid an extensive network of pipelines connecting almost every village, town and city of the regions of Saurashtra and Kutch. However, all pipelines invariably draw water from one Narmada canal or the other. Bulk pipelines have also been laid for North Gujarat.

Although Narmada water is not routed for irrigation of summer crops, many people pilfer water from the bulk pipelines that carry the river's water to Saurashtra and Kutch. Officials have lodged around 70 police complaints, mainly in Saurashtra and North Gujarat.

#### What steps have been taken to counter the drought?

The state government has declared 51 tehsils drought-affected and 45 tehsils scarcity-hit. The first 51 have received less than 250 mm rainfall, and the other 45 have received rain in the range 251-400 mm. The government is providing tankers to areas short of drinking water, with 850 tankers making 3,800 trips every day.

The government is providing crop input subsidy to farmers in these regions, besides financial assistance to 493 cattle camps, 419 *gaushalas* and 88 *panjrapols* (cattle pounds) as of now. This is helping farmers maintain over 5.34 lakh cattle.

Fodder is being provided at a subsidised rate of Rs 2 per kg. The government has set up 299 fodder depots at various places, issued 3.68 lakh fodder cards, and distributed over 11.50 crore kg fodder.

#### What are the alternatives to Narmada?

The government is exploring ways to conserve fresh water. Gujarat is the first state to introduce a Water Reuse policy under which treated waste-water will be provided for industrial and domestic use and for gardens and parks. The government is also exploring an option of seawater desalination plants.

Recently, the government has started looking at more options. In March, Prime Minister Narendra Modi laid the foundation stone of 100 million-litres-per-day seawater desalination plant at Jodiya in Jamnagar and more such plants are in the pipeline. The Jodiya plant, which is being set up at the cost of Rs 800 crore on a public-private-partnership, is likely to be commissioned by end-2021.

# Behind rise of BJP: polarisation, violence, erosion of Left & Cong base



NEELANJANA SIRCAR

UNTIL RECENTLY, the BJP's entry into West Bengal electoral politics seemed like a long shot. Yet, despite a challenging electoral terrain in 2019, the BJP garnered 40% of the vote share and 18 out of a possible 42 seats in West Bengal — uncharted territory for the party.

There is now an open power struggle between the Trinamool Congress and the BJP in West Bengal. After the election, a number of grisly murders have been reported between party cadres across the state, and the Governor of West Bengal is threatening to declare President's Rule in the state. The BJP has done the unthinkable — it has become a formidable force in West Bengal.

How do we understand the rapid rise of the BJP in West Bengal?

■ First, there is an erosion of support among parties that have traditionally been strong in West Bengal, the Congress and the Left Front. These parties dropped from a combined vote share of 39% in 2014 to a combined 13% in 2019. While the BJP had scored a significant 16.8% vote share in 2014, the erosion in support for traditionally strong parties, especially Left parties, provided a reservoir of voters for the BJP to increase its vote share to the levels of 2019.

■ Second, there has been growing frustration with levels of local violence allegedly

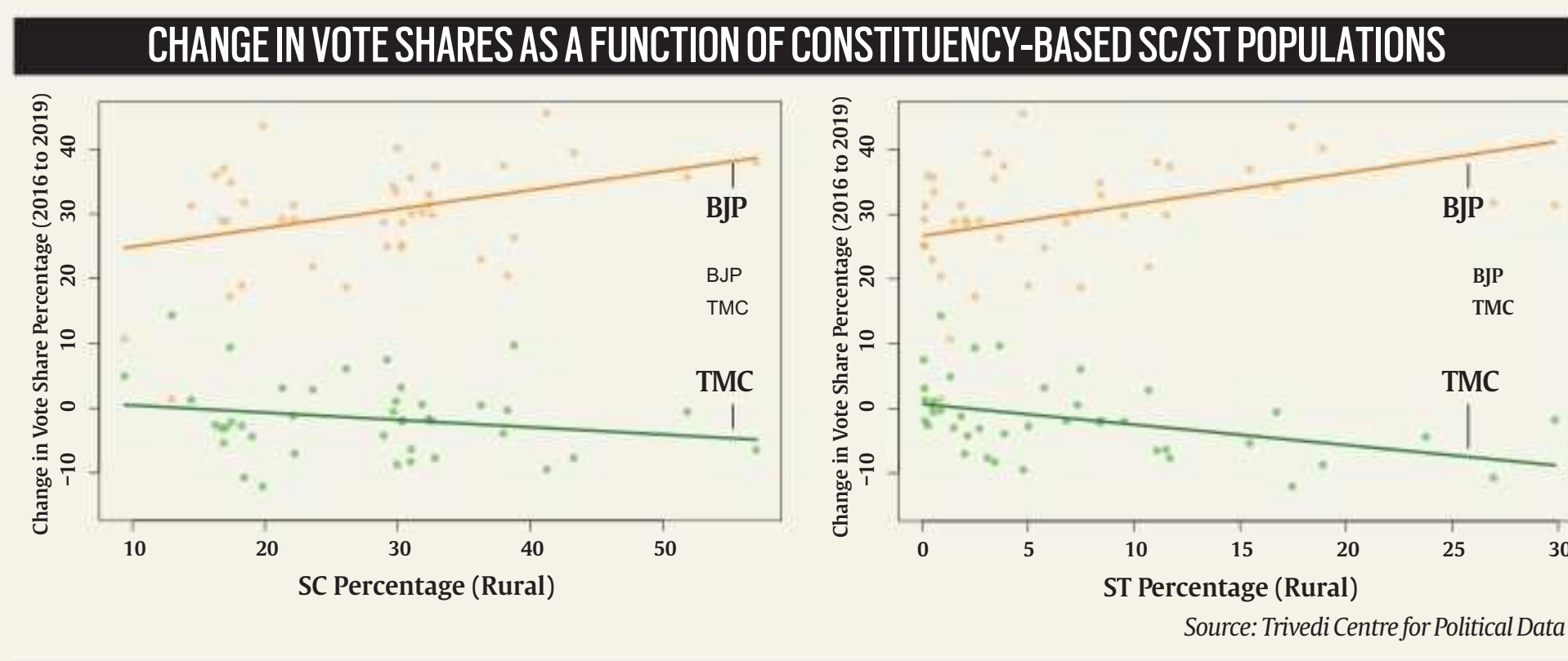
perpetrated by TMC cadres. Things came to a head in the panchayat elections, where almost 34% of seats were left uncontested due to intimidation of TMC's opposition candidates. This created a restive electorate that was determined to vote in the national election even in the face of local intimidation.

■ Finally, and most importantly, the BJP was able to generate significant Hindu-Muslim polarisation. The BJP mounted a formidable social media campaign to paint Chief Minister Mamata Banerjee as biased toward the Muslim community (the most prominent among these was a video of her angry response to BJP workers chanting "Jai Shri Ram" at her).

#### Congress as spoiler for TMC

The Congress has historically had a small number of strongholds in the districts of Malda and Murshidabad alongside a large Muslim support base. A weakening Congress and Hindu-Muslim polarisation triggered significant defection from the Congress to the TMC in many places, but the significant overlap in support bases created many opportunities for the Congress to play spoiler for the TMC.

If one simply adds the vote shares of TMC and Congress, this hypothetical combine would have won 30 out of 42 seats in West Bengal. Moreover, the BJP would have lost 6 seats it won in 2019 (one-third of its total haul) to this TMC-Congress alliance: Balurghat, Barrackpore, Bardhaman-Durgapur, Jhargram, Maldaha Uttar, and Raiganj. The Congress-TMC alliance has shown the ability to be effective in the past, e.g. in ousting the Left from West Bengal, and the concentrated geographical base with strong Muslim support of the Congress



makes it a natural partner for the TMC. However, talks broke down as the Bengal House of the Congress party was strongly opposed to the alliance.

#### A new identity game

The Scheduled Caste and Scheduled Tribes populations have not figured signif-

icantly in the political discourse of West Bengal — somewhat surprising given that, according to the 2011 Census, West Bengal sports the third-highest SC population in India at 23% and a significant population of STs at 5.5%. This naturally created an opportunity for the BJP to mobilise these groups under the umbrella of Hindu nationalism.

The impact of the BJP's strategy can be assessed from data. Using data from the Trivedi Centre for Political Data at Ashoka University, census demographics from 2011 have been matched to parliamentary constituencies for rural areas only, providing reliable numbers for all but a handful of constituencies.

In the constituencies where the SC population is less than 17% of the total population (the bottom quintile of constituency-wise SC population), the BJP had an average vote share of 32%, but where the SC popu-

lation is more than 32% of the total population (the top quintile of constituency-wise SC population) the BJP had an average vote share of 42%. Similarly, in constituencies where the ST population is less than 0.5% (the bottom quintile), the average BJP vote share was 37%, while when the ST population is above 11% (the top quintile), the average BJP vote share was 50%.

#### The shift to BJP

The 2014 national election is not a good benchmark to assess this election as the TMC had yet to fully consolidate its electoral base. In the subsequent 2016 state election, even with the Left and Congress in pre-electoral alliance, it was clear the TMC had become the dominant party and consolidated its electoral support. In the 2016 state election, the TMC won 211 out of 294 seats, with

a 45% vote share.

In 2016, the BJP's vote share dropped to 10%, but after the election it was clear that BJP would emerge as the principal challenger to the TMC in the state. In 2019, the TMC saw a slight dip in vote share as compared to 2016 with 43% of the vote, while the BJP received 40% vote share, a massive gain of 30 percentage points.

The two graphs show trends in the change in vote share (in percentage points) for the BJP and the TMC as a function of the percentage of SCs and STs in a constituency. Two key observations emerge from these figures. First, in areas with little to no SC and ST presence, the BJP gained around 25 percentage points, while TMC effectively lost no vote share, suggesting significant consolidation of TMC's opposition around the BJP. Second, as the share of SCs and STs grew in a constituency, the percentage point gain to the BJP grew as well, while TMC actually lost part of its vote share. This suggests that the BJP consolidated SC and ST votes in particular, even taking away some previous TMC supporters.

Several questions remain about the electoral future of West Bengal. While the BJP has become the chief opposition to the TMC, will it break through in the 2021 state elections? Is this a momentary rise in the BJP's electoral fortunes, or will it consistently remain a competitive party in West Bengal? Whatever be the answers to these questions, we can safely say we have entered a new era in West Bengal's electoral politics.

Neelanjana Sircar is Assistant Professor of Political Science at Ashoka University and Senior Visiting Fellow at the Centre for Policy Research