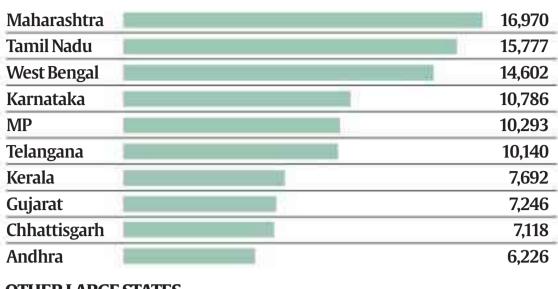
If there are questions of current or contemporary relevance that you would like

explained, please write to explained@indianexpress.com

TELLING NUMBERS

How suicide count varies among the states, across age groups

STATES WITH HIGHEST SUICIDE COUNTS, 2015



OTHER LARGE STATES

3,902 | Bihar

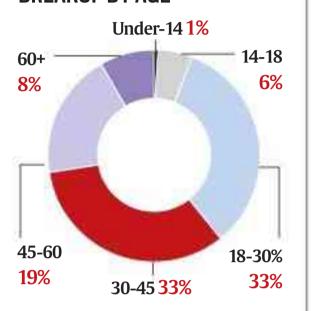
516 | Rajasthan 3,457 Source for all data: 'Accidental Deaths and Suicides in India' (NCRB) via Home Ministry

AMONG ALL states, Maharashtra had the highest number of suicides in 2015, according to National Crime Records Bureau (NCRB) data tabled by the government in Parliament on Tuesday. The NCRB's 'Accidental Deaths and Suicides in India' report for 2015 is the latest such report, and lists 1,336,623 suicides across the country that year.

Most of the larger states had higher suicide counts than smaller states, but there were exceptions. Uttar Pradesh, the most populous state, had the 11th highest suicide count. UP had 3,902 suicides in 2015 while Tamil Nadu had four times as many at 15,777, second only to Maharashtra's 16,970. Bihar, one of the country's most populous states, was another exception, with its count of 516 suicides lower than that of many smaller states.

Minister of State (Home) Nitvanand Rai tabled the NCRB data in Lok Sabha in reply to a question by Poonam Mahajan. Among various aspects, she had sought to know whether young adults account for 33%

BREAKUP BY AGE



of the suicide cases in India. The NCRB data show that one-third of the suicides in the country in 2015 were committed by young adults under age 30, and another one-third by people in the age group 30-45,. Of the 1,336,623 suicides, 43,852 involved people who were aged over 18 and under 30, while another 44,593 were of people who were aged over 30 and under 45.

THIS WORD MEANS

THE 'MOLE' ON MARS

A digging device that got stuck on Mars, now back in view. What is its job, and how was it salvaged?

"BEHOLD THE 'mole'," NASA said in a statement after the 'mole' after it became visible on Mars last week, following an operation that removed its support structure. The mole, the informal name for a digging device on Mars, is part of the Heat Flow and Physical Properties Package (HP3), an instrument designed to take the temperature below the surface of Mars.

Built by the German Aerospace Centre (DLR), HP3 measures the temperature of the interior to study the quantity of heat flowing out of Mars, and determine its source. This will help scientists find similarities if any between the makeup of Earth and Mars, and look for clues on the Red Planet's evolution.

The mole, a self-hammering device, can dig up to 5 m below the surface, but was unable to dig deeper than 30 cm. This



Robotic arm moves the support **structure for the mole.** NASA

could be either because the soil failed to provide the kind of friction the mole was designed for, or because it encountered a large rock. On June 28, NASA's InSight lander used a robotic arm to move the mole's support structure.

Source: NASA

SIMPLY PUT QUESTION & ANSWER

Behind Iran's nuclear defiance

Iran has announced that it has amassed more low-enriched uranium than allowed under a nuclear deal signed with the US and other countries in 2015. A look at what was agreed, and why Iran has violated it

AMITABH SINHA

PUNE, JULY 2

ON MONDAY, Iran told the world that it had accumulated more low-enriched uranium than it was allowed to have under a landmark 2015 nuclear deal it had signed with the United States and five other countries. The deliberate violation of the provisions of that agreement, Iran has said, was in response to the reimposition of economic and other sanctions by the US after it unilaterally pulled out of the deal last year.

Iran's latest move has put further strains on an already precarious agreement that seeks to prevent it from acquiring nuclear weapons in exchange for the easing of economic sanctions. But Iran has kept the room open for negotiations, saying its move was "reversible".

What is enriched uranium, and how much has Iran accumulated?

Uranium is the most common fuel used in nuclear reactors, and is required for nuclear electricity generation as well as to make nuclear weapons. On the other hand, naturally occurring uranium, which is predominantly composed of a stabler isotope, uranium-238, is not fissionable, meaning its nucleus cannot be split in a way that can sustain a chain reaction. To be used in nuclear reactors, natural uranium has to be 'enriched' with uranium-235 that can sustain fission chain reactions. Naturally occurring uranium has less than 1% of the uranium-235 isotope.

Even a small amount of enrichment, in the range of 3% to 5%, called "low enrichment", is sufficient to run nuclear power reactors which allow only controlled fission reactions. For making nuclear weapons, however, "highly enriched" uranium — with more than 90% uranium-235 — is needed. More enrichment means more uranium-235 nuclei are available to be split, which in turn means greater heat and energy can be generated.

Iran President Hassan Rouhani at a ceremony to mark "National Nuclear Day" in **Tehran on April 9, 2018.** Iranian Presidency Office via AP

Under the 2015 nuclear deal, Iran is reguired to ensure that, for the next 15 years, its stockpile of uranium is not enriched beyond 3.67%. Further, this stockpile of 3.67% enriched uranium itself is not supposed to exceed 300 kg.

It is this 300-kg limit that Iran has now said it has exceeded. However, it has not specified how much more low-enriched uranium it has created. Iran has also said that its next step would be to enrich uranium beyond the 3.67% limit.

Under what circumstances was the deal with Iran signed?

The deal signed in July 2015 was an attempt by the US and other major world powers to ensure that Iran did not acquire nuclear weapons, which it has been suspected of trying to do for several years now. The International Atomic Energy Agency (IAEA),

which is a sort of an international regulatory

body on nuclear energy, had in 2003 reported the possibility of Iran secretly trying to develop nuclear weapons at one of its nuclear facilities. That had invited economic sanctions from the US and other countries.

After protracted negotiations that lasted over a decade, Iran and the US reached an agreement to restrict Tehran's nuclear programme to only civilian uses in exchange for lifting of the sanctions. Apart from the US, the other parties to the deal are Russia, the UK, France, China and Germany, together called the P5+1.

The complex agreement specifies a large number of steps that Iran needs to take and requirements that it needs to meet to keep the economically crippling sanctions away. Most of the provisions of this agreement are supposed to run for the next 15 years, but some, like international monitoring of Iran's uranium mines and mills, or of its nuclear power production facilities, are meant to be in force for the next 25 years.

In return, the US agreed to cease its sanctions against Iran's oil and banking sector, allowing their re-entry into the international systems. It also allowed the sale of commercial passenger aircraft to Iran, which had been put on hold. The UN and European Union also eased their own sanctions on Iran.

So, why did the US withdraw from the deal and reimpose sanctions?

The agreement was negotiated when the Barack Obama administration was in power in the US. Current President Donald Trump has never shied away from expressing his discomfort with the deal, which he claims was detrimental to the American interests. The Trump administration has advocated tougher provisions in the agreement, particularly with regard to the expiry dates on restrictions related to uranium enrichment. It does not want these restrictions to have any end-date. After its offer to renegotiate the deal did

not find acceptance from Iran, the US withdrew from the deal last year. It also slapped fresh sanctions on Iran. The five other countries, however, continued to be parties to the deal, thereby weakening the impact of US sanctions. However, these sanctions were still damaging enough for Iran to finally respond after a year.

What happens to the deal now? Iran's defiance of the provisions of the

agreement is being seen as largely a bargaining ploy in its ongoing confrontation with the US, especially since it has explicitly said that it was open to reversing its decision if the sanctions against it were lifted. It is being seen as an attempt to put pressure on the other parties to convince the US of the need to keep the agreement, however fragile, in place. The Trump administration, however, has maintained a hardened stance towards Iran, and, in the absence of a diplomatic breakthrough, this could result in the unravelling of the deal.

How global warming could impact jobs in India

By 2030, heat stress will cause loss of 5.8% of working hours in India, equivalent to 34 mn jobs: global study

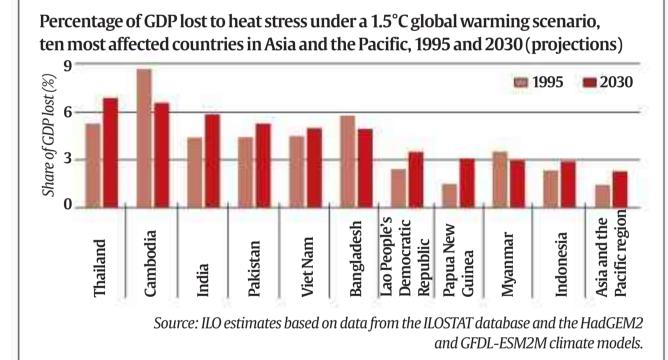
ESHAROY NEW DELHI, JULY 2

BY 2030, India is expected to lose an equivalent of 34 million jobs as a result of global warming, says a report released by the International Labour Organisation. The report, 'Working on a warmer planet: The impact of heat stress on labour productivity and decent work' anticipates an increase in "heat stress" resulting from global warming. It projects global productivity losses equivalent to 80 million full-time jobs in 2030, and the projection of 34 million jobs would make India the worst affected.

How it was worked out

The report defines heat stress as heat in excess of what the body can tolerate without suffering physiological impairment. It generally occurs at temperatures above 35°C, in high humidity. Excess heat during work is an occupational health risk and restricts workers' physical functions and capabilities, work capacity and thus, productivity.

The report makes its projections based on a global temperature rise of 1.5°C by the end of the century, and also on labour force trends. These projections "suggest that in 2030, 2.2 per cent of total working hours worldwide will be lost because of higher temperatures, a loss equivalent to 80 million full-time jobs. This is equivalent to global economic losses of US\$2,400 billion," says the report.



The ILO says this is a conservative estimate, assuming that the global mean temperature does not rise more than 1.5°C.

The India projection

The region projected to lose the most working hours is southern Asia, at 5% in 2030, corresponding to around 43 million jobs, respectively. A third of the southern Asian countries have already incurred losses greater than 4%, it said.

India, which lost 4.3% of working hours in 1995 because of heat stress, is projected to lose 5.8% of its working hours in 2030, which corresponds to 34 million jobs.

hours as 9.04% in agriculture (in shade). 5.29% in manufacturing, 9.04% in construction, and 1.48% in services. "Although most of the impact in India will be felt in the agricultural sector, more and more working hours are expected to be lost in the construction sector, where heat stress affects both male and female workers," the report says.

The report projects losses in working

Director, Centre for Sustainable Employment at the Azim Premii University, Amit Basole said while there is little data in the country to corroborate trends of climate change and employment, the effects can already be seen. "There are two aspects which vulnerable, are urgently needed."

have affected and is transforming the agriculture sector in particular, over the past few years. First is that of heat. But the more noticeable one is that of water depletion. Most areas have drought like conditions so what we have found is migration of agricultural workers to urban areas — usually to work in the construction sector," he said. He added, however, that there has been no

direct job loss at present, with distressed workers switching from one vulnerable sector to another.

The big picture

Globally, the two sectors projected to be hit worst are agriculture and construction, with agriculture worse affected. The ILO says 940 million people around the world work in the agricultural sector, which is projected to account for 60% of working hours lost due to heat stress by 2030. In construction, an estimated 19% of global working hours is likely to be lost.

Catherine Saget, Chief of Unit in the ILO's research department and one of the main authors of the report, wrote: "In addition to the massive economic costs of heat stress, we can expect to see more inequality between low and high income countries and worsening working conditions for the most vulnerable, as well as displacement of people. To adapt to this new reality appropriate measures by governments, employers and workers, focusing on protecting the most

Another scare at Mangaluru airport: why tabletop runways are tricky

JOHNSONTA

BENGALURU, JULY 2

ON SUNDAY evening, Air India Express flight IX 384 from Dubai veered off the runway at Mangaluru International Airport and halted in soft ground, causing a scare for the 181 passengers on board.

The incident on runway number 24 — a tabletop runway — brought back memories of the May 22, 2010 crash of Air India Express flight IX 812. Both aircraft were Boeing 737-800s and flying the Dubai-Mangaluru route. In 2010, following landing errors by the pilots, the aircraft fell off the cliff at the end of the runway and burst into flames killing 158 of the 166 people on board.

The recent scare

While landing on Sunday, the aircraft veered off runway 24 and came to a halt near the end of the runway. The passengers disembarked at the site where the aircraft was

stuck. The aircraft suffered minor damage. "AI Express aircraft VT-AYA, operating

IX 384, Dubai to Mangaluru on June 30, after landing on runway 24 while vacating the runway to the right side, has gone off the taxiway into soft ground," Air India Express said in a statement. A wet runway, a tailwind and inadequate braking caused the minor mishap, it said.

Tabletops demand skill

According to a court of inquiry report on the 2010 crash, prepared by former IAF vice chief of air staff Air Marshal B N Gokhale and a team of experts, "these airfields require extra skill and caution while carrying out flight operations" due to "the undulating terrain and constraints of space". "The hazard of undershooting and overshooting, in particular, can lead to grave situations," the report said.

Apart from Mangaluru, Kozhikode airport in Kerala and Lengpui airport in Mizoram are tabletop ones. Runways at



Passengers alight from the aircraft that veered off the Mangaluru runway on Sunday. Express

these airports, which are located on hilltops, create the optical illusion of being at the same level as the plains below when a pilot comes in for landing.

Until 2006, the Mangaluru airport was using only the 1,625-m runway number 27/06, which restricted usability to smaller aircraft. Runway 24/06, created later, is 2,450m.

"While the length of the runway 24/06 is adequate for operations by aircraft such as Airbus A320 and Boeing 737-800, the downward slope at end of R/W 24 leading into hill slope is not recommended if one is to consider the hazards of overshooting the paved surface during takeoff or landing," states the court of inquiry report on the crash, dates October 31, 2010.

Why it crashed

The inquiry report cited pilot errors and flaws in the landing process that caused the aircraft overshooting the tabletop runway. "The final touchdown of the aircraft was at about 5,200 ft from the beginning of R/W 24, leaving only about 2,800 ft to the end of paved surface, to stop the aircraft. It is evident from the investigation that the flight crew had failed to plan the descent profile properly, due to which the aircraft was high and did not intercept the ILS (Instrument Landing System) Glide Slope from below,

to the aircraft being at almost twice the altitude on finals, as compared to a standard ILS approach," the report said.

which is the standard procedure. This led

Air India Express also specified that "only the Pilot in Command (PIC) should carry out takeoff and landing procedures at Mangaluru airport. But the captain of flight IX 812 was asleep for most of the flight and his faculties may have been dulled by sleep when it was time to land, the inquiry report stated. "The Court of Inquiry determines that cause of this accident was the Captain's failure to discontinue the 'unstabilised approach' and his persistence in continuing with the landing, despite three calls from the First Officer to 'go around' and a number of warnings from EGPWS (Enhanced Ground Proximity Warning System)," the

report said. As per the digital flight data recorder, the aircraft crossed the landing threshold "at about 200 ft altitude with indicated speed in excess of 160 kt [knots], as compared to 50 ft with tar-

WORDLY WISE

THE CONSTITUTION DOES NOT PROVIDE FOR FIRST AND SECOND CLASS CITIZENS.

— WENDELL LEWIS WILLKIE

The Indian EXPRESS

∽ FOUNDED BY ∽ RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

COMING UP SHORT

Two years on, GST collections continue to underwhelm. Simplified returns, e-invoicing, could improve compliance

HE SHIFT TO the goods and services tax regime marked a significant change in India's indirect tax architecture. It was also an important step towards the creation of a common national market. But the transition has been marked by chaotic implementation. It was hoped that, over time, as the glitches got resolved, compliance levels would improve drastically. But, two years later, there continues to be a chasm between expectations and reality, with revenue collections falling well short of expectations.

Take the case of the central GST (CGST) collections. As against an initial target of Rs 6.03 lakh crore for 2018-19, collections stood at a mere Rs 4.57 lakh crore. The initial trends for the current financial year aren't encouraging. CGST collections, after settlement from integrated GST (IGST), stand at Rs 1.17 lakh crore in the first three months of 2019-20. This works out to an average of Rs 39,313 crore per month. In comparison, the target of Rs 6.1 lakh crore for 2019-20, presented in the interim budget, implies a required run rate of Rs 50,833 crore per month. The difference between the two implies a shortfall in revenues for the Centre in the current financial year as well, severely restricting its fiscal space. It is also intriguing that two years on, CGST collections continue to run well below state GST collections. Part of the difference between the two can be traced to the transitional credit of the earlier indirect tax regime. But, after two years, it should have been taken care of. The other reason, which centres around the hierarchy of set-offs, has been addressed and its impact should be visible in the coming months. But clearly, even as the Centre continues to struggle to meet its GST targets, states appear to be faring better. The average shortfall in state GST revenues, measured against their protected revenue, has declined from around 16 per cent in FY18 to 13 per cent in FY19. This is a healthy trend. In fact, states like Uttar Pradesh, Andhra Pradesh, Telangana, were not paid any compensation in the first nine months of FY19, implying that they had met their tax targets.

To improve compliance and shore up collections, a new simplified return filing mechanism will be implemented in the coming months. This is a welcome development. As small firms account for a minuscule portion of tax payable (firms with revenues less than Rs 1 crore account for less than 10 per cent of tax payable, those between Rs 1 crore and Rs 5 cr account for another 10 per cent) their compliance burden could be eased further. E-invoicing could also help check tax evasion. The refund process for exporters should be streamlined. The council should also aim to rationalise the tax structure by moving towards two to three categories.

IDENTITY TRAP

NRC in Assam triggers similar exercises in other states. Spread of nativist politics is troubling

VEN AS ASSAM grapples with the infirmities and uncertainties of the National Register of Citizens (NRC) process, Nagaland has initiated its own equivalent. The Register of Indigenous Inhabitants (RIN) of Nagaland is meant to be a master list of all indigenous inhabitants of the state and, according to the government, is aimed at preventing people from acquiring fake indigenous inhabitant certificates. While the preparation of Assam's NRC is a Supreme Court-mandated process, the RIN in Nagaland is an initiative of the state government. The RIN takes a cue from the NRC in Assam and will be overhung by the attendant identity concerns. Mizoram and Meghalaya, too, have proposed their own NRCs and a similar sentiment to erect barriers against people perceived as outsiders/foreigners is on the upswing across the region. The proposed amendment to the Citizenship Act aimed at making acquisition of Indian citizenship easier for non-Muslims from select countries in India's neighbourhood, has further polarised the identity debate. These developments do not augur well for the region, or for the country.

The NRC in Assam is an updating of the 1951 census document and draws justification from the exceptional demographic upheavals in the state. Over 40 lakh people have been left out of the draft NRC. There is no clarity about the fate of these non-citizens, who face the prospect of living as stateless people in special camps. However, BJP leaders, particularly the party chief and now Union home minister, Amit Shah, have said that the NRC may be extended to the rest of India. The NRC is an especially polarising spectre in states like West Bengal, which is home to a large number of migrants, Hindus and Muslims, from across the border. Politicians wield the NRC as a threat to disenfranchise inconvenient populations and the conversation, clearly, has triggered anxieties across communities. In the Northeast, which has a long history of identity politics, the NRC and the citizenship law have triggered new insecurities about social, cultural, political and economic capital. Most of the Northeast is already covered by protectionist laws and rules — for example, the inner-line permit — to prevent any potential demographic overrun. But that has not stopped politicians from exploring new ways to make their societies even more exclusive and insular.

Modern economies gain from the seamless movement of labour and capital. Building a discourse against open borders may bring gains for politicians in the short run, but nativist politics will only hurt the economic prospects of the region in the long run. Worse, it can trigger reactions elsewhere and hurt the idea of an inclusive India.

AFTER THE HAND-PUMP

MP Sunny Deol seems to have confused his new role with being a movie star. In politics, there are no 'stand-ins'

N CINEMA, UNLIKE in real life, actors — big stars in particular — are spared the more boring parts of the job. As the crew runs around, putting up the lights, figuring out camera angles, setting the stage for his/her majesty to come and deliver the lines, a "stand-in" — usually a junior production assistant — takes the actor's place. Sunny Deol, second-generation strongman and movie star, (on-screen) hand-pump enthusiast, and now BJP MP from Gurdaspur, has upset many people by applying this cinematic principle to his political responsibilities. Perhaps they are being a little unfair. After all, it seems it was Deol's characters, rather than any political and administrative achievements, that formed the core of his campaign.

In an official letter, Deol has designated Gurpreet Singh — screenwriter of Yamla Pagla Deewana and a line producer — to "deal with all matters pertaining to my Parliamentary Constituency". The Congress has taken issue with Deol appointing a stand-in, calling it a betrayal of Gurdaspur's mandate. But Candidate Sunny, during the campaign, hardly presented himself as either an astute politician. He was unaware, for example, about the Balakot air strikes, BJP's prime poll plank. Instead, Deol's campaign featured a hand-pump, recalling his character in *Gadar: Ek Prem Katha*, and when he joined the BJP, then Defence Minister Nirmala Sitharaman made a reference to Border.

The problem, of course, is that being an MP carries with it an expectation of accountability, one that demands slightly more than a sunny disposition, dhai kilo ka haath and an enthusiastic line producer to do the actual work. Perhaps MP Deol ought to re-watch Ghatak, a film in which he is forced to fight the system (in a singlet, shouting loudly while flexing his muscles) because the government and politicians are simply absent. The actor needs to realise that politics and administration require more than a proxy. Patriotic nostalgia for a hand-pump will only take him so far.

Terms of estrangement



India-US tensions are fuelled by rise of nationalpopulism in both, Delhi's policy of multi-alignment

CHRISTOPHE JAFFRELOT

INDIA-US TENSIONS — THAT the Narendra Modi-Donald Trump conversations on the occasion of the Osaka G-20 meeting have hardly attenuated — are the logical outcome, not only of the rise of national-populism in both countries, but also of New Delhi's quest for multi-alignment.

While India and the US claim to be strategic partners, the bones of contention are now more numerous and more substantial than they've been in the last two decades — after Bill Clinton's visit in 2000.

The US criticism regarding the freedom of religion issue is probably the less important one — it will have no serious consequences. But this irritant is not going away: For more than half a decade, the annual report of the State Department on Freedom of Religion accuses India of not treating its minorities in the right manner. In April, the 2019 report not only mentioned the role of vigilante groups involved in "mob lynchings" but cited organisations: "A multifaceted campaign by Hindu nationalist groups like Rashtriya Swayamsevak Sangh (RSS), Sangh Parivar, and Vishva Hindu Parishad (VHP) to alienate non-Hindus or lower-caste Hindus is a significant contributor to the rise of religious violence and persecution. Some members of the ruling Bharatiya Janata Party (BJP) have affiliations with Hindu extremist groups and have used discriminatory language about religious minorities".

The American Secretary of State, Mike Pompeo, while releasing the report, emphasised that freedom of religion was a personal priority. During his visit to New Delhi, ahead of the Osaka meeting, Pompeo declared in the course of a policy speech at the India International Centre: "Let's stand up together for defence of religious freedom for all. Let's speak up strongly together in favour of those rights. For, whenever we do compromise those rights, the world is worse off. India-US relationship is based on solid foundation, rule of law and the importance of civil society. These ideals — they allow people to flourish. The Indian people believe in them and Americans believe in them as well."

More importantly, Pompeo focused on the trade dispute that has escalated between India and the US over the last few months. Almost

one year ago, Trump denounced the failure of India to assure the US of what he called "equitable and reasonable access to its markets". In February, India introduced new e-commerce rules that affected foreign online retailers, including Amazon and Walmart, which could no longer negotiate exclusives on products and sell items via vendors they hold an equity stake in, like Flipkart (that Walmart bought for \$16 bn last year). Amazon India and Flipkart represent 70 per cent of e-commerce in India today and these new rules were intended to help domestic sellers to resist the American giants. They were strongly resented by the latter, which lobbied intensely with the Trump administration. Trump waited for the Indian elections to be over, but on May 31 he terminated India's designation as a beneficiary developing country of the Generalised System of Preferences. The withdrawal of duty-free access to Indian exporters is bound to damage the Indian economy. The Modi government retaliated in June by imposing tariffs on 29 American goods.

These moves were expected, given the political agendas and images of Modi and Trump. National-populist leaders canvass on nationalistic issues — not only in terms of security vis-à-vis Islamism or the Chinese threat — but also in economic terms. When Trump claimed that he wanted to make "America great again", he delineated a programme that was bound to unfold at the expense of others — including India. This is not true only regarding trade, but immigration too. Indians are not as welcome in the US as they used to be. Not only have thousands of techies seen their demand for an H1B visa extension rejected, but the Trump administration is contemplating imposition of a 10-15 per cent quota of all the H1B visas on migrants from countries forcing foreign companies to store data locally. India is one of them and is, therefore, criticised by companies like Mastercard and Visa, which have effectively lobbied the Trump administration. Such a cap on the Indian H1B visas would be an additional blow as Indians get about 70 per cent of the 85,000 H1B visas granted every year by the US. One may argue that such practices are unfair, but India's attempts at regulating migration in the North-east reflect the same agenda — the kind of agenda on which national-populists are elected.

The fact that the strongmen at the helm in the US and India are cast in the same mould is not the only reason for the recent tensions. The Indian policy of multi-alignment or strategic autonomy is another. This approach is hardly sustainable when the world scene gets so polarised that memories of the Cold War come to mind. India thought it could be a strategic partner of the US and still buy S-400 from Russia. It went ahead with the deal at a cost of Rs 40,000 crore (without any tender) in spite of US warnings

 and now it has to negotiate in order to get a sanctions waiver.

Similarly, to be a friend of Iran and the US at the same time is getting more and more difficult. New Delhi has had to bow to Washington when the Trump administration ended on May 2 waivers that allowed India (among others, including China) to continue their oil imports for six months after American sanctions over Iran were re-imposed. But what side will India take if US-Iran relations further deteriorate and if Trump returns to the Bush motto "with us or against us"? After all India needs Iran because of Chabahar and Afghanistan — where the American with-

drawal is another bone of contention. An important question is arising in DC too: How far can the US rely on India to contain China? In the last Shanghai Cooperation Organisation meeting at Bishkek, Modi did not rule out India joining hands with Russia and China in the emerging trade war with the US. The decision India will make regarding 5G will send a significant signal: Will it boycott Huawei, like the US, or will it say "no" to the US and deal with Huawei?

At Osaka, Modi thanked Trump for his "love towards India" and the latter said that both countries "have never been closer". But these words may not reflect the full picture of the US-India relationship at a time of resurgent nationalisms and national-populism.

The writer is senior research fellow at CERI-Sciences Po/CNRS, Paris, professor of IndianPolitics and Sociology at King's India Institute, London

and images of Modi and Trump. National-populist leaders canvass on nationalistic issues — not only in terms of security visà-vis Islamism or the Chinese threat — but also in economic terms. When Trump claimed that he wanted to make "America great again", he delineated a programme that was bound to unfold itself at the expense of others including India. This is not true only regarding trade, but immigration too. Indians are not as welcome in the US as they used to be.

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given the political agendas

Don't Blame The Litchi

Deaths in Muzaffarpur are due to chronic malnutrition



T JACOB JOHN

MUZAFFARPUR IN Bihar is famous for litchis and infamous for children dying due to annual seasonal brain disease outbreaks. The common brain diseases in children with high mortality are meningitis, encephalitis and encephalopathy. These three have clear-cut differences and very different treatments. Trained paediatricians know how to distinguish the three. If diagnostic criteria are not applied for various reasons, then the three are not distinguished by doctors. That is when an easy diagnostic term covering all three — "acute encephalitis syndrome" (AES) – becomes handy.

Meningitis is most unlikely in large annual seasonal outbreaks. Encephalitis outbreaks in various parts of India are caused by the Japanese Encephalitis (JE) virus, transmitted by Culex mosquitos. The pre-monsoon months of April-May-June have low mosquito density so JE can also be readily excluded. JE occurs in other districts in Bihar, but not in Muzaffarpur, as the ecology is not conducive for Culex breeding.

The disease description that one, only under-nourished children are affected; two, only children between two and 10 years are affected and three, the onset of convulsions and unconsciousness is always between 4 am and 7 am are clear pointers against any virus infection causing the disease. Viruses, including IE, do not respect nutritional status, age and diurnal rhythm.

This inevitably leads us to conclude that the outbreak disease is encephalopathy. The early morning onset and frequent finding of low blood glucose level (hypoglycaemia)

Where do lychees fit in? The external stimulus that blocks the fatty acid oxidation cycle for glucose synthesis is methylene cyclo-propyl glycine, present in the edible pulp of lychees. Normallynourished children or adults suffer no adverse effects from lychees. Only when malnutrition and skipping the night meal come together does the lychee eaten the previous day become the last

MIZORAM VIOLENCE

ported. An indefinite curfew has been im-

posed on Aizawl and Kolashib townships and

point to a biochemical disease related to glucose metabolism. Several hours after food intake (early morning) is when the body tends to develop hypoglycaemia.

If the fasting interval is longer than 6-7 hours, because some children were not given a night meal, the situation becomes more severe. That was a common story when I investigated the problem. Malnourished children do not have glucose reserves in the liver, which makes matters worse. In 2016 and 2017, a simple intervention — all grass root health workers consistently teaching rural families not to allow children sleep without a cooked meal — had brought down the case numbers drastically. I suspect this was not sustained in 2018 and 2019.

The disease is not simple hypoglycaemia. In addition, there is brain swelling caused by toxic damage to brain cells — encephalopathy, specifically, "hypoglycaemic encephalopathy". The toxic substance for brain cells are amino-acids made within the body while attempting to synthesise glucose from fatty acids, but blocked halfway by an external stimulus. When fatty acid oxidation is blocked, amino-acids accumulate and cause encephalopathy.

If doctors had treated the sick and unconscious children with a 10 per cent glucose infusion within four hours of onset, all the children would have recovered. In 2013, all 32 primary health centre doctors in the area were taught this life-saving remedy. Before giving glucose they had to collect a blood sample to measure blood glucose level just to confirm that the child had hypoglycaemia.

dusk-to-dawn curfew on the Aizawl-

Doctors were used to 5 per cent glucose to correct hypoglycaemia. The high blood glucose level created with 10 per cent glucose actually turns off the fatty acid oxidation cycle immediately, so no more amino acids accumulate to further damage brain cells.

This year, apparently, many doctors were new and were not taught about the urgency to give 10 per cent glucose. Many children were referred to Muzaffarpur medical college, and the long delay in reaching there resulted in many deaths. Prevention is simple, as is treatment. Where do litchis fit in? The external stim-

ulus that blocks the fatty acid oxidation cycle for glucose synthesis is methylene cyclopropyl glycine, present in the edible pulp of lychees. Normally-nourished children or adults suffer no adverse effects from litchis. Only when malnutrition and skipping the night meal come together does the litchi eaten the previous day become the last straw.

The socio-behavioural risk factors are the real cause of the outbreak. Where litchi orchards and gross malnutrition are not superimposed, like in Punjab and Haryana, hypoglycemic encephalopathy is not a problem. Blame the overload on the camel more than the last straw. Blame chronic malnutrition and prolonged fasting for the disease more than the litchi.

The writer, a paediatrician-cum-virologist has been president of Indian Academy of Pediatrics and retired from the Christian Medical College, Vellore. He investigated the Muzaffarpur disease in 2012, 2013 and 2014

JULY 3, 1979, FORTY YEARS AGO



TROOPS HAVE BEEN alerted all over the dis-Kolashib sector of the highway. turbed Union Territory of Mizoram and mas-DOWRY BILL sive combing operations launched to pick up DOWRY-SEEKING IS BEING made a cognisrebel Mizos who carried out a daring threepronged attack on the CRP guard posted at a able offence punishable under the Dowry new AIR transmitting station on the outskirts Prohibition (Amendment) Bill being introduced by the government during the monof Aizawl and a police picket in an area close to Raj Niwas and the Secretariat complex. soon session beginning from July 9. This is The rebels raided the resident sub-divisional one of the 20 new bills coming up before the Lok Sabha. The dowry bill amendment folofficer at Kolashib, about 100 km from Aizawl. Mizo National Front activists exlows public uproar in Delhi in the wake of changed fire with CRP men near the AIR several recent cases of bride-burning. complex, and heavy casualties have been re-

TAJ ENTRY

THE TAI MAHAL probably needs a Shah

Commission. More than two years have passed since the Emergency ended. But the Taj is still squirming under one of its "excesses": Even now, people have to pay the Rs 2 Emergency entry fee when they enter the Taj, when the actual entry fee is only 50 paise per head. Not only at the Taj, but at three other major Agra monuments — Akbar's tomb at Sikandra, Itimad-ud-Daula's tomb and the Agra Fort. The entry fee for all these monuments was unilaterally, arbitrarily and illegally raised from 50 paise to Rs 2 by the UP government during the Emergency, And the state government is still collecting the increased fee, despite repeated protests from the Archaeological Survey of India.

THE INDIAN EXPRESS, WEDNESDAY, JULY 3, 2019

THE IDEAS PAGE

WHAT THE OTHERS SAY

Mr Trump boasted after Singapore that North Korea was no longer a nuclear threat. On Sunday he insisted Pyongyang's missile tests in May were not missile tests. Meanwhile, Mr Kim is enjoying a good month.

—THE GUARDIAN

The budget's dilemma

Fiscal tightening will accentuate growth slowdown, fiscal stimulus will hurt monetary transmission. There is a third way



SAJJID Z CHINOY

THIS WEEK'S BUDGET is likely to pose the first dilemma for the new administration. To understand why, however, one must fully appreciate the current macroeconomic context. Activity has been losing momentum for the last three quarters. To be sure, some transient pressures (pre-election uncertainty, one-off regulatory changes in the auto sector) will fade. But even controlling for this, underlying growth momentum is confronting several headwinds.

First, the NBFC slowdown is acute and likely to endure. Policymakers are correct in not rushing towards a special liquidity-window for NBFCs and stoking moral hazard. Instead, the root of the problem is on the asset side. Asymmetric information about asset quality, the inability to separate the good and bad apples, and the resultant "trust deficit" has meant NBFCs are being starved of funding. Market discipline is important and there should be no bailout, but absent some sort of asset quality review (AQR), the logjam will linger and constitute a funding supply-shock to housing, SMEs, and consumption. Aren't banks picking up the slack? Only partially, given the imperfect substitutability of these lending models, capital constraints and their own misgivings about NBFC asset quality.

Importantly, when credit gets re-routed back to banks from the less-regulated NBFCs, monetary conditions tighten because of the greater regulatory pre-emption (SLR, CRR) that commercial banks are subject to. As demand for bank credit has picked up — partially on account of this substitution away from NBFCs — banks are understandably reluctant to cut rates, because the funding substitution away from NBFCs to banks is subjection to higher regulatory pre-emption. This will impede monetary transmission in an easing cycle.

NBFC stress apart, rural consumption has slowed as the agrarian distress — manifested in a continuously declining terms of trade – hurts rural purchasing power and consumption. The monsoon is off to a poor start and this could further raise rural anxiety and induce precautionary savings. Finally, the global environment provides little comfort. While the US and China may have reached a temporary détente, the two sides seem very far apart on reaching a sustainable deal. The upshot: Expect episodic global shocks, sustained business anxiety and depressed global capex. Unsurprisingly, output gaps are opening up around the world, and India is no exception, manifested most starkly in the annualised momentum of core inflation slowing to 2.5 per cent in 2019 from almost 6 per cent in 2018.

The counter-cyclical dharma of policy would suggest policy must ease to close output gaps, and monetary policy has started in earnest with 75 bps of rate cuts. Markets are expecting more easing, but the real question is how effective will monetary policy be in the current environment? Given the aforementioned substitution of credit from NBFCs to banks, and the significant premium that the government's small-savings schemes command over bank deposits, banks are understandably reluctant to cut deposit — and



therefore lending —rates. Similarly, financial conditions in the NBFC sector remain tight, because credit risk premia have risen and many NBFCs are being quantitatively rationed out of the market. Finally, even as bond yields have softened over the last six months, the yield curve remains uncomfortably steep, and credit risk premia have risen for lower-rated firms in the corporate bond

What, then, should the budget do? Slowing growth and limited transmission of monetary policy would argue for a fiscal stimulus. After all, economic theory would argue for fiscal policy to be counter-cyclical, right?

But the reality is quite different. Part of the reason monetary policy is not transmitting more fully is because of a fiscal overhang. With total public sector borrowing almost 9 per cent of GDP, the public sector is eating up virtually all household financial savings. This has contributed to the steepening of the yield curve (with the 10-year yield stubbornly remaining 120 bps over the policy rate despite a slowing economy and rate cutting cycle), pushed up corporate bond spreads given the growing size of quasi-sovereign-issuance, and kept small savings rates high to attract sufficient flows to finance off-balance sheet borrowing. Against this backdrop, if the fiscal deficit meaningfully expands, yields will inevitably harden and further undermine monetary transmission, thereby making any fiscal expansion, at least partially, counter-productive. What, then, should the budget do? Is there a way to impart a fiscal stimulus without widening the deficit?

There is. Last year, the government achieved about 0.5 per cent of GDP in asset sales. What if the government stuck to its deficit target of 3.4 per cent of GDP, but aggressively targeted asset sales of 1 per cent of GDP, both through a combination of strate-

Difficult circumstances require bold and imaginative responses. The government's historic mandate allows it to think big and out of the box. All told, aggressive asset sales will allow a growth stimulus (thereby making fiscal policy effectively counter-cyclical) without widening the deficit. The latter will calm bond markets and allow better transmission of monetary policy to further help growth. Both fiscal and

gic disinvestment and re-cycling existing infrastructure assets? This would ensure that even as the deficit is the same as last year, fiscal policy effective becomes expansionary. How so? This is because revenues raised through asset sales are not contractionary likes taxes and duties. Instead, they are an exchange of assets between the public and private sector. Therefore, if the deficit is the same as last year (3.4 per cent of GDP), but asset sales are 0.5 per cent of GDP higher, the effective fiscal impulse is a positive 0.5 per cent of GDP. This would be tantamount to a fiscal expansion (for the purposes of growth), while keeping the headline deficit exactly the same (for the purposes of bond markets).

It's important, however, that these asset sales are used for higher public investment - thereby making this a de-facto "asset swap" on the public sector's balance sheet. What we shouldn't be doing is selling assets to finance current expenditure or make up for shortfalls in tax revenues. This would be tantamount to selling the family silver to pay the monthly credit card bill.

All told, aggressive asset sales will allow a growth stimulus (thereby making fiscal policy effectively counter-cyclical) without widening the deficit. The latter will calm bond markets and allow better transmission of monetary policy to further help growth. Both fiscal and monetary policy will be working in tandem.

Difficult circumstances require bold and imaginative responses. The government's historic mandate allows it to think big and out of the box. An aggressive asset swap programme in the first budget of a second term would not only help address current cyclical concerns but send an unambiguous signal of intent about the next five years.

> The writer is chief India economist at I P Morgan

Ocean's eleven

India and ASEAN agree on their outlook to the Indo-Pacific. They must act in concert



GAUTAM BAMBAWALE

AT THE 34th ASEAN summit in Bangkok, the leaders of the 10-nation grouping finally came out with their positions on the Indo-Pacific region in a document titled 'ASEAN Outlook on the Indo-Pacific'. While ASEAN has not spelt out what it considers to geographically constitute the region, there appear to be several similarities between the Indian and ASEAN approaches to this critical subject.

Acknowledging that this is a very important part of the globe from both a geopolitical as well as geo-economic perspective, the group clearly wants developments here to be ASEAN-centric and even ASEAN-led. The Outlook "envisages ASEAN Centrality as the underlying principle for promoting cooperation in the Indo-Pacific region, with ASEAN-led mechanisms... as platforms for dialogue and implementation of the Indo-Pacific cooperation". This approach of ASEAN heaves closely to the Indian position, which was best articulated by PM Narendra Modi in his Shangrila dialogue address on June 1, 2018, where, in reference to the Indo-Pacific region he had stated, "Southeast Asia is at its centre. And, ASEAN has been and will be central to its future. That is the vision that will always guide India...". This similarity of approach works well for both sides, since we already have sizeable areas of cooperation within the "ASEAN Plus India" and the East Asia Summit frameworks, and we already work together in many of the ASEAN-led platforms and vehicles of cooperation.

A second objective of the ASEAN group, as far as the Indo-Pacific is concerned, is to promote an enabling environment for peace, stability and prosperity by upholding a "rules-based regional architecture". India, too, seeks such an order which must equally apply to all individually as well as to the global commons. The new ASEAN Outlook specifically refers to the UN Convention on the Law of the Sea (UNC-LOS) while talking of peaceful resolution of disputes, which can be interpreted as being squarely aimed at China and its aggressive actions in the South China Sea. India too believes that when "nations make international commitments, they must uphold them" including in freedom of navigation, unimpeded commerce and settlement of disputes. Once again, there is a close harmony of views between India and ASEAN.

The ASEAN Outlook clearly has an inclusive approach to the region as it visualises "avoiding the deepening of mistrust, miscalculation and patterns of behavior based on a zero-sum game". India has also stated that the Indo-Pacific region is not an exclusive club aimed at any country but must be inclusive, aiming at security and prosperity for all in the region. This is none other than PM Modi's idea of SAGAR, which he has elaborated extensively in his many visits within the region, including recently at the Majlis of the Maldives. Once again, we see the similarities between India and ASEAN which are starkly different from the idea of a waning power taking on an emerging one in its backyard. Finally, the Outlook makes it amply

clear that the objective of security and stability is the continued growth and development of all countries in the region through greater connectivity, more trade and higher investment. Here too, free, fair and balanced trade by sticking to the rules of the game will be very important, so that extreme imbalances can be cut out and prosperity shared by all — not confined to the few. Whether ASEAN and others in the region can ensure such fair behaviour is something which we will have to work towards. ASEAN pressure on India to ensure completion of the Regional Comprehensive Economic Partnership (RCEP) by the end of 2019 is a case in point. Obviously, India will sign on only when it believes it has got as much in return for what it gives.

Strikingly, no countries have been named in the ASEAN Outlook. It is not being positioned as a new strategy of ASEAN, but a continuation of what have been ASEAN goals and objectives for decades. It is clearly mentioned that no new structures will be created, but that existing ones will be optimally utilised for achieving some of the goals stated in the Outlook. The East Asia Summit (EAS) will be one such platform where not only are China and Japan present, but also Russia and the United States. The ADMM (ASEAN Defence Ministers Meeting) Plus framework will also come in handy on defence and security matters.

There is great similarity and parallel in both thought and approach between the Indian and ASEAN positions on the Indo-Pacific Region. As middle or balancing powers that do not want to be in a position to have to choose sides between the big players, there is common ground between the two. This, in turn, dictates our positions on this very topical issue. As we all know and realise, it is becoming increasingly difficult to navigate on a trapeze string without falling off. Individual countries or groups of nations are now being called upon to back one side against the other. This is difficult for both ASEAN as well as India.

A concert between the balancing powers is, therefore, the requirement of the day. India should quickly seize the moment of the announcement of the 'ASEAN Outlook on the Indo-Pacific Region', and institute a new dialogue with the 10-member grouping so that we can both further calibrate our approaches in this very important matter Together, we shall have more say on this subject than we have individually, and that will stand us in good stead. A Track-1 India-ASEAN Indo-Pacific dialogue should be instituted at the earliest.

The writer is a former Indian Ambassador to China. Currently he is distinguished fellow, Pune International Centre and distinguished professor, Symbiosis International University

The Bank's reserves

Discourse on RBI's capital shows it is becoming sensitive to growth concerns

monetary policy will be

working in tandem.

Sonal Varma and Aurodeep Nandi

MARKETS HAVE turned a tad Shakespearean about the eventual outcome of the Bimal Ialan-led committee on the RBI's excess reserves — to be, or not to be, that is the guestion. Is it to be that the committee will award a fiscal bonanza to the government? Or will the committee advocate no actual transfer to government coffers, and instead ask for the excess funds to retire public debt on the RBI's balance sheet? Or will it radically declare that there are no excess reserves to dis-

cuss whatsoever? Inextricably linked to this has been inevitable alarm over whether central bank autonomy is at stake. According to those in favour of defending the RBI's reserves, the government's excessive reliance on them for bridging short-term fiscal slippage may prove to be myopic. After all, the reserves provide insurance for the RBI against shocks such as rupee appreciation, a drop in the value of bonds or the need to undertake sterilisation. Given India's overall fiscal fragility, it may be a tall task for the government to replenish the RBI's capital base under an economic emergency. Others believe the RBI is being overly cautious and holds excess capital that can be put to better use.

But how much is too much excess capital reserve for the RBI? The answer isn't simple — with little consensus on how to define either "excess" or "capital". The size of the RBI's balance sheet is Rs 36 trillion, of which 27 per cent (Rs 9.7 trn) can be broadly classified as capital reservess. The controversial bit is that over 70 per cent, Rs 7 trn, comprises revaluation reserves, which track changes in the RBI's foreign currency and domestic assets. Some opine that these are temporary and an accounting phenomenon, and excluding them would bring down the available "core" capital available to as low as 7 per cent of the balance sheet (Rs 2.3-2.6 trn).

What qualifies as "excess" depends crucially not just on the chosen definition of capital, but also the choice of stress-testing methodology. Typically, the extent of excess is judged on the ability of the central bank's balance sheet to withstand shocks to its portfolio (estimating value-at-risk). Here again, there are differences in opinion, with estimates of the RBI's excess capital ranging from it being under-capitalised to the RBI holding excesses as high as Rs 4.5 trn. To place this in context, the latter would be enough to nearly wipe clean the central government's annual revenue deficit.

The Jalan-committee ruling will have inevitable macro implications. If excess reserves are indeed identified — which some sources place as high as Rs 3 trn — then a direct transfer to the government will amount to a fiscal windfall, which will eventually lead to the creation of reserve money in the system. This will be positive for growth, and over time could exert inflationary pressures if not offset by pruning the RBI's domestic assets. With liquidity in the banking system increas-

ing, this would alleviate, to some extent, the impetus on the RBI to inject liquidity through open market operation buybacks. The level of government debt stock would remain unchanged.

The delay in arriving at the committee's consensus makes it increasingly unlikely that the final budget for FY20 on July 5 will include some fiscal support from the RBI. As a result, the government may struggle to hold the fort at a fiscal deficit of 3.4 per cent of GDP, as it faces strong headwinds from poor actualisation of tax revenues in FY19 and the incremental pressures from tackling a cyclical domestic slowdown and rural reflation.

If the committee rules that these reserves are meant to to retire government debt off the RBI balance sheet, then it will not lead to reserve money creation, or any near-term impact on the fiscal deficit, growth and inflation. However, as India's medium-term fiscal consolidation target is to bring the public debt ratio down to 60 per cent of GDP, a hypothetical transfer of Rs 3 trn could reduce it by 1.4 per cent of GDP. The government may choose to use this space to accelerate its fiscal consolidation in coming years, or alternatively use it to increase the fiscal deficit without adding significantly to overall debt. The committee may also suggest ploughing the excess capital into public sector banks to recapitalise them and bolster their lending capacities.

These conversations are part of a broader

discourse in which the RBI is becoming increasingly more sensitive to growth concerns. Part of it is algebraic — a flexible inflation targeting framework applied to a poor growth and low inflation paradigm is a recipe for policy easing. We've seen 75 bps of rate cuts this year, and we believe there's appetite for more. More implicitly, it has led to a conversation about RBI's broader responsibility towards growth. The traditional model of the government fiscally resuscitating growth and the RBI standing by to prevent an overheating of the economy has been turned on its head. Instead, questions are being raised on higher real rates, the RBI's regulatory responsibilities, pros and cons of pro-cyclical bank rehabilitation, and if the RBI's capital reserves can be deployed elsewhere more productively.

These are not unwelcome conversations. They suggest the RBI's subtle shift from being the aloof gatekeeper to an active participant in the growth story. However, in this subtle realignment of priorities, it is of paramount importance that the RBI's autonomy is preserved so that it can do its core job of controlling inflation and maintaining financial stability. After all, it's not worth distracting the gatekeeper to the extent that the gate is left unguarded.

Varma and Nandi are chief economist (India and Asia ex-Japan) and India economist, respectively, for Nomura

LETTERS TO THE EDITOR

KASHMIR CAULDRON

THIS REFERS TO the editorial, 'Deepening the unease' (IE, July 2). Home Minister Amit Shah calling Jammu & Kashmir's special status under Article 370 as a temporary measure has triggered a controversy. If the provision is abrogated, it may bring the many diverse outfits in Kashmir together to safeguard their state's special status. The Narendra Modi-led NDA government, with its mammoth mandate, must keep in mind that none of its actions should further alienate the people of Kashmir. Every effort must be made to bring and keep them

in the mainstream. Lal Singh, Amritsar

DON'T BLAME DHONI

THIS REFERS TO the report, 'Brickbats and tin-foil hats' (IE, July 2). It is disturbing that some people are castigating M S Dhoni for Team India's first loss in the World Cup to England. Dhoni batted at an average strike rate of 135.48, which was the second-highest strike rate of the match. Dhoni's role in the Indian team is currently that of a finisher and one must remember that a finisher's job is to win matches with some explosive batting towards the end — approximately in the last four to five overs of the game. Dhoni has been consistent in doing this. However, to expect scoring a handsome total from a finisher constantly is an injustice to him.

Tushar Anand, Patna

WADE IN

THIS REFERS TO the article, 'Be soft, smart and quiet' (IE, July 1). The ongo-

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.

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PUBLICATIONS

ing confrontation between the US and Iran has a serious bearing on India's strategic interests. India of the 21st century cannot afford to be a fence-sitter while an evolving situation which has a bearing on its interests plays out. The India of today has a significant stature on the international stage and it is widely acknowledged as a responsible emerging geopolitical force to reckon with. New Delhi should consider sending emissaries to all the signatories of the JCPOA. As a major power in the Indo-Pacific region, India can offer to host an informal talk at the official level between the P5+1 group and Iran.

Sudip Kumar Dey, Kolkata