



THE EDITORIAL PAGE

WORDLY WISE

ON CLIMATE CHANGE, WE OFTEN DON'T FULLY APPRECIATE THAT IT IS A PROBLEM. WE THINK IT IS A PROBLEM WAITING TO HAPPEN. — KOFI ANNAN

The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

Sins of omission

Crucial questions about Centre's action on Jammu and Kashmir's constitutional status remain unanswered



RADHA KUMAR

ON AUGUST 8, Prime Minister Narendra Modi finally addressed the nation on recent moves that fundamentally altered the character of Jammu and Kashmir and took the country by surprise, indeed shock.

As one of those astonished and deeply angered by the speed, stealth and force with which far-reaching constitutional change has been achieved, I had hoped to hear some explanation for why his administration deemed the move imperative, and even more importantly, why it was made at this time and carried through in this way, with preventive arrests and detentions, flying in 40,000 additional troops for a security lockdown of the Valley as well as neighbouring districts in Jammu and Ladakh, tabling it in Parliament without prior notice when a significant number of Opposition MPs were missing, many of whom had requested postponement until they could reach Delhi.

The PM did not refer to these actions even in passing. Though he did say that the security lockdown would soon be lifted, he gave no assurance of when. The government earlier announced that the closure of telephone lines and the internet would be relaxed on Friday, but it has been extended. It is doubtful if the PM's Kashmiri "brothers and sisters" would even have heard his speech.

I had also hoped, groundlessly, that Modi would indicate that his other measures — demoting the state to union territory status and voiding the terms of its relation to India (Article 370) were time bound and of short duration. He did give a vague assurance that Jammu and Kashmir might one day regain statehood, but the offer was so indeterminate and hedged about with so many conditions that it offered more warning than hope.

This is the first time in the history of independent India that a state has been demoted to a union territory (UT). The PM's explanation for an act of such far-reaching consequences was astonishingly weak. It would enable faster development, he said, because now central laws and schemes would be applied. But there is no reason to believe that UT status enables better implementation of development programmes than statehood does — of our UTs, only Goa (until 1987) and Delhi can boast of high rates of development

and the factors in each case have little to do with administrative status. Indeed, development grew further after the two acquired legislatures.

The PM is willing to offer Jammu and Kashmir a legislature — how generous — but with severely truncated powers. The police and civil administration will answer only to the Centre, removing the political interface that acted as both a buffer and, if only in theory, a check on unbridled power. I trust the Union government understands that now it and it alone will be to blame for any political, security and administrative failures, however large or small.

The potential fallout on security, which should be a pressing concern, was simply skirted over. There is clear and present danger that Pakistan will exploit the current situation to flood the Valley with arms and re-double infiltration attempts; equally, that homegrown militancy will rise, if not in the immediate term then certainly in the middle term. What steps does the Modi administration plan to prevent such an outcome, apart from flooding the Valley with troops and putting a lieutenant-governor in place, neither of which are likely to prove effective?

The PM did touch on one substantive issue, the voiding of Article 370, but here too his arguments consisted of a string of assertions without explanation. The critical question — how will the terms of the Instrument of Accession be codified if Article 370 is null? — he simply ignored.

Instead, he said that Article 370 had been a major impediment to Jammu and Kashmir's development because it entrenched corruption and nepotism. No objective analyst will deny that the state was riddled with these twin evils, but so are a large number of other Indian states and they are not governed by Article 370. In fact, the people of Jammu and Kashmir complain far more loudly about these evils than do the residents of other states, perhaps because in their case corruption and nepotism are tied to a situation of ongoing conflict, which has, as in most conflict regions worldwide, produced a black economy. To think that corruption can be removed when violence persists is merely hubris.

The bulk of Modi's speech was a laundry list of beneficial programmes to follow. Some of these were initiated years ago — such as scholarship schemes and inducements to industry to invest and Bollywood to make movies — and faltered for the same reason in each case, continuing violence.

The truth of the matter is that Jammu and Kashmir is ahead of the bulk of other states on development indicators such as food, housing, health, education and even gender (in some respects). The Modi administration is doing no more than previous administrations have done — throw money at a people while taking away their political and human rights.

With one great difference: This time it is a full-scale denial of their rights, one which raises acute concern about the vulnerability of our democratic, federal and constitutional structure. As critics have pointed out, what is the guarantee that what has been done in Kashmir will not be done elsewhere, at the whim of this or successive administrations?

The PM did not address these concerns either, and his omission sent out the message that the will of the people is irrelevant when it comes to Jammu and Kashmir. The contrast between this position towards the majority population and that towards selected minorities in the state could not be sharper. In Leh, Jammu city and amongst stranded refugees, it is clear that though the will of its people was not solicited, they support this move. All the rest, the Modi administration appears to believe, can go hang.

What has been perpetrated, in one fell sweep, is a coup on the people of Jammu and Kashmir. The prime minister's speech sought only to normalise the coup. Whether he will succeed in doing so is up to us. Following the craven failure of our parliamentarians to debate the intentions, implications and method used by the Modi administration in the past week, and the widespread Indian support for what has been done, the future for both Kashmiris and Indian democrats seem bleak.

Kumar is a former interlocutor for Jammu and Kashmir and author of Paradise at War: A Political History of Kashmir

WORDS AND MEANING

PM's address defines the new order for Jammu and Kashmir. It frames new challenges, and faces the trust test on the ground

PRIME MINISTER NARENDRA Modi's address to the nation, following his government's decision to read down Article 370, demote the status of Jammu and Kashmir, and carve it up into two Union Territories, was keenly awaited. It was expected, and hoped, that the speech would provide some answers in the aftermath of a move as unilateral as it is consequential. The PM's speech made certain key assertions: That Kashmir's destiny is intertwined with that of the rest of the country; that Article 370 is now history; that there is no returning to status quo; that special status had only bred corruption and nepotism and secessionism; that under Central rule, by implementation of Central laws and programmes, Kashmir would become prosperous and peaceful. And that at an indeterminate point in the future, after Kashmiri youth have stepped up to leadership roles, Kashmir may become a state again. Prominent in the PM's speech was a list of benefits, allowances and schemes that government employees in J&K would be able to access because Kashmir is now a UT. He also told Pakistan — and the world — that he had redrawn the red lines of Kashmir diplomacy.

The message was unequivocally clear. It was also important for what it didn't say. The PM made no mention of the words and sentiments that have consecrated the place of another BJP prime minister in a troubled Valley's political imagination — there was no reference to Atal Bihari Vajpayee's invocations of "Insaniyat, Jamhooriyat, Kashmiriyat", which PM Modi has himself echoed earlier. There was none of the soft play with ambiguity, which has always helped the Centre expand its space for manoeuvre in the Valley. There was no reference even to PM Modi's own assurance, delivered from the ramparts of the Red Fort on an Independence Day two years ago: "Na goli se, na gaali se, Kashmir ki samasya suljhegi gale lagaane se... (Kashmir's problem will not be solved by abuse or the bullet, but by embracing its people)". Today in Kashmir, that embrace is needed, more than ever. For, the promise of Good Governance will shape and be shaped by a political setting that has seen violence, terrorism and a popular uprising for three decades now. As he talks of a new generation of leaders in the Valley, PM Modi cannot be unaware of the grim backdrop of his government's making — the detention and arrest of mainstream leaders, including former chief ministers Omar Abdullah and Mehbooba Mufti, the snapping of lines of communication between the Valley and the rest of the country.

In a state as broken as Kashmir, words do heal and yet they are never enough. Much more needs to be said — and done — to assure Kashmir and the nation that the government is mindful of the trust reposed by its enormous mandate in the world's largest democracy, that it does not intend to continue to impose its will on the Valley or be seen to rule it by diktat.

CLIMATE ON THE FARM

IPCC report shows how land use affects climate change. It must not be used to target developing countries on global warming

REPORT RELEASED on Thursday by the Intergovernmental Panel on Climate Change (IPCC) has concluded that better management of the world's farms and forests is necessary to tackle climate change. Land use has always been part of conversations on climate change and activities like afforestation have held an important place in the fight against global warming. But the discourse on combating global warming has given more thrust to curbing vehicular and industrial emissions. The IPCC report warns that clean energy, clean transport and reduction emissions alone will not cut global emissions enough to avoid dangerous warming beyond 2 degrees Celsius. It points out that the global food system is responsible for 21 to 37 per cent of the world's GHG emissions.

About a quarter of the Earth's ice-free land area is subjected to what the report describes as "human-induced degradation". Rapid agricultural expansion has led to destruction of forests, wetlands and grasslands and other ecosystems. Soil erosion from agricultural fields, the report estimates, is 10 to 100 times higher than the soil formation rate. This has created spinoff effects. "When land is degraded, it becomes less productive, restricting what can be grown and reducing the soil's ability to absorb carbon. This exacerbates climate change, while climate change in turn exacerbates land degradation," says the report. Moreover, agriculture and allied activities like cattle rearing are major sources of methane and nitrous oxide, far more dangerous GHGs than carbon dioxide.

The report is expected to be a key scientific input into forthcoming climate negotiations, such as the Conference of the Parties of the UN Convention to Combat Desertification in Delhi in September and the UN Framework Convention on Climate Change Conference (COP25) in Santiago, Chile, in December. If recent developments are any indicator, the report could spur moves to pressure developing countries like India to ramp up their global warming mitigation targets. This week the UN special envoy on climate change, Luis Alfonso de Alba, reportedly expressed the hope that India will take up enhanced climate commitment, including in areas such as agriculture. But the country, which seems well on course to meeting its Paris Climate Pact targets, should be careful about taking up commitments that hobble its agriculture sector. However, India — and other countries — could do well to pay heed to the IPCC report's recommendations on curbing land degradation and soil erosion by improving knowledge systems.

THEY IS A PROBLEM

A new study finds that gender-neutral pronouns can increase sensitivity. But grammar can be notoriously rigid

IT'S PERHAPS BECAUSE their power is such a mirage, a well-perpetuated fraud, that kings and priests have always understood the importance of pronouns. Royalty, and even minor nobility, never call themselves "I" or are addressed as "you" — "hum khush hue", they will say, as if inherited privilege represents a collective.

In 2015, Sweden decided to adopt the term "hen", a gender-neutral pronoun to be used alongside "hon" and "han" (she and he) in the Swedish language. A study conducted over three years by Efrén Pérez of the University of California and Margit Tavits at Washington University published in the Proceedings of the National Academy of Sciences found that gender-neutral depictions like the one in Sweden helped combat pro-men biases and even increased sensitivity towards LGBTQI people. The study simply confirms what many gender and queer rights activists have long argued, that the bias towards heterosexual men in particular, and gender binaries in general reinforces inequality. But is fighting to change words, and grammar, the best battle to engage in the war for equality?

For some time now, there has been a search for a gender-neutral pronoun in English as well. The latest candidate, "they", is gaining some popularity among enlightened (or "woke") young people. But syntax is a hard thing to change, the plural pronoun does not roll off the tongue nor sit well on a page. Sample: "They is happy about their new shoes." Language does, of course, evolve — just look at the number of Indian words in our erstwhile coloniser's dictionaries. But it does not evolve as and when we please. In the meantime, faced with the fact that words do indeed oppress, it is important to endeavour to ensure that the limits of language are not the limits of decency.

A LIFE IN LAW

Shamnad Basheer's work in IP, academia, holds survival lessons for the liberal edifice



PRITAM BARUAH

INHABITING DUALITIES DEFINED Shamnad Basheer. Nicola Lacey, biographer of the eminent legal philosopher H.L.A. Hart, wrote that Hart was surely an insider to Oxford philosophy, but always saw himself on the margins. Memories of Basheer kindle something similar: Inspiring students, intervening socially, recognised publicly and yet, secluded and distant. His energy and innovative impulses stemmed from a fertile yet tumultuous intellectual and personal space.

We were colleagues, flatmates and friends. I admired how despite his dilemmas, Basheer inspired students. Whether in the successful Increasing Diversity by Increasing Access (IDIA) programme, the Spicy IP blog, or research initiatives; students remained central to his work: They worked incessantly on his projects, voluntarily. IDIA volunteers would undertake arduous journeys to train underprivileged children. This did take a toll on competitive law students, but with Basheer's leadership, they excelled academically and in voluntary work: He instilled an ethic for voluntary work that will inspire generations.

Basheer's energy shines through in his multi-dimensional academic career, which was marked by controversies and pathbreaking achievements. Basheer studied at NLSIU and Oxford, and taught in India and the US. He lectured globally and was the most recognised Indian in the world of intellectual property.

Fame, however, invites scrutiny. His work was plagiarised by the Mashelkar Committee

Report on patent reforms for drugs, and Basheer had generously dismissed it saying it was for a public cause. However, it was his own friends and peers from NLSIU who argued that Basheer should have revealed his research funders, some being stakeholders.

Basheer, however, was always irrepressible. He increased public interest in IP law through the Spicy IP blog, which he founded in 2005. Simultaneously, he intervened in public issues on IP. Some of his notable interventions were those in favour of the rights of disabled persons to access copyrighted material, and the right of fair use by students in the famous Delhi University photocopy case.

Basheer also walked the tightrope in the Novartis case, concerning the patenting of the life-saving drug Glivec. He was balancing intellectual justification against public emotion, proprietary rights against public welfare. The Supreme Court heard him at length as an "academic intervenor". His arguments went a long way in disallowing Glivec to be patented. However, Basheer's arguments were double-edged for both sides. He was against Novartis in concluding that Glivec did not qualify to be an invention, and against human rights groups in concluding that excessive pricing was not a ground for patent denial. For those sceptical of the neutrality of law and opinion, it is difficult to say where Basheer's heart lay. But his actions set a precedent to enrich judicial discourse through academic intervention.

Basheer and I had joined NUJS, Kolkata, at

its pinnacle. Mahendra Pal Singh had created a free but rigorous intellectual environment: Sound academics like Basheer and Sudhir Krishnswamy were appointed as full-time professors, fresh talent like Prabhash Ranjan and Chinmayi Arun were nurtured. Basheer tilled this fertile ground and, subsequently, IDIA emerged. Its initial days witnessed both opposition and support. There was talk of Common Law Admission Test (CLAT) being reformed: For it to vernacularise, be a test of potential rather than information, blunt advantages of coaching, and, to bridge the urban-rural divide, IDIA, many of us argued, would help get in some disadvantaged students into a system of privilege, and legitimise it by painting it as inclusive. Basheer took criticism on board, but perhaps the visionary in him saw that in our pathological democracy, starting somewhere was more important than starting ideally. Basheer has perhaps been proven right today. Several students from disadvantaged backgrounds continue to enter the hallowed law schools.

Basheer's emphasis on IDIA holds survival lessons for the falling liberal edifice. He acted on ideas and inspired people; got himself entangled with the daily life of law in an accessible manner. He anticipated that intellectual rigour needs popular succour in a democracy. Else the ivory towers shall fall.

The writer is associate professor of law at Jindal Global Law School

AUGUST 10, 1979, FORTY YEARS AGO

MNF ATTACK

ARMED COMMANDOS OF the outlawed Mizo National Front launched a three-pronged attack on the Turlial central jail near Aizawl in the embattled union territory of Mizoram, raided the Amarapur police station in neighbouring Tripura and indulged in looting and killing in the nearby market of Amarapur last night, according to official reports reaching Shillong. The security guards at Turlial central jail, put up a bold defence and foiled an attempt by a command group of the MNF to free the undertrial there. However, there were no casualties in the exchange of fire which lasted about 15 minutes. The hostiles later re-

treated into the nearby jungles.

UNIONS REJECT HIKE

DELHI UNITS OF the five main trade unions rejected the Delhi administration's offer to raise the minimum wages of workers by Rs 26 to Rs 40 a month. The unions which have five lakh members in the city, decided to go ahead with their one-day strike on Saturday to demand that the basic minimum wage be increased from Rs 185.90 to Rs 350 a month. They also want a dearness allowance of Rs 150 a month for the workers. The decision was taken by the Joint Action Committee for Minimum Wages made up of Delhi units of the All-India Trade Union Congress, Centre of

Indian Trade Unions, Bharatiya Mazdoor Sangh, Hind Mazdoor Sabha and the Indian National Trade Union Congress.

No CONG SUPPORT

IT WILL NOT be surprising if the Congress (I) does not support the government when the vote of confidence is taken on August 20. Already there are pointers that the party may change its stand — what a Congress (I) leader calls "straws in the wind". The party's commitment of "unconditional support" ended when the new government was formed. Ten Congress (I) MPs issued a statement on Tuesday, criticising the government and asking it to read "the writing on the wall".



13 THE IDEAS PAGE

Denting cynicism in Valley

Prime Minister Modi's speech handled political differences with finesse, showed sensitivity towards Kashmiris



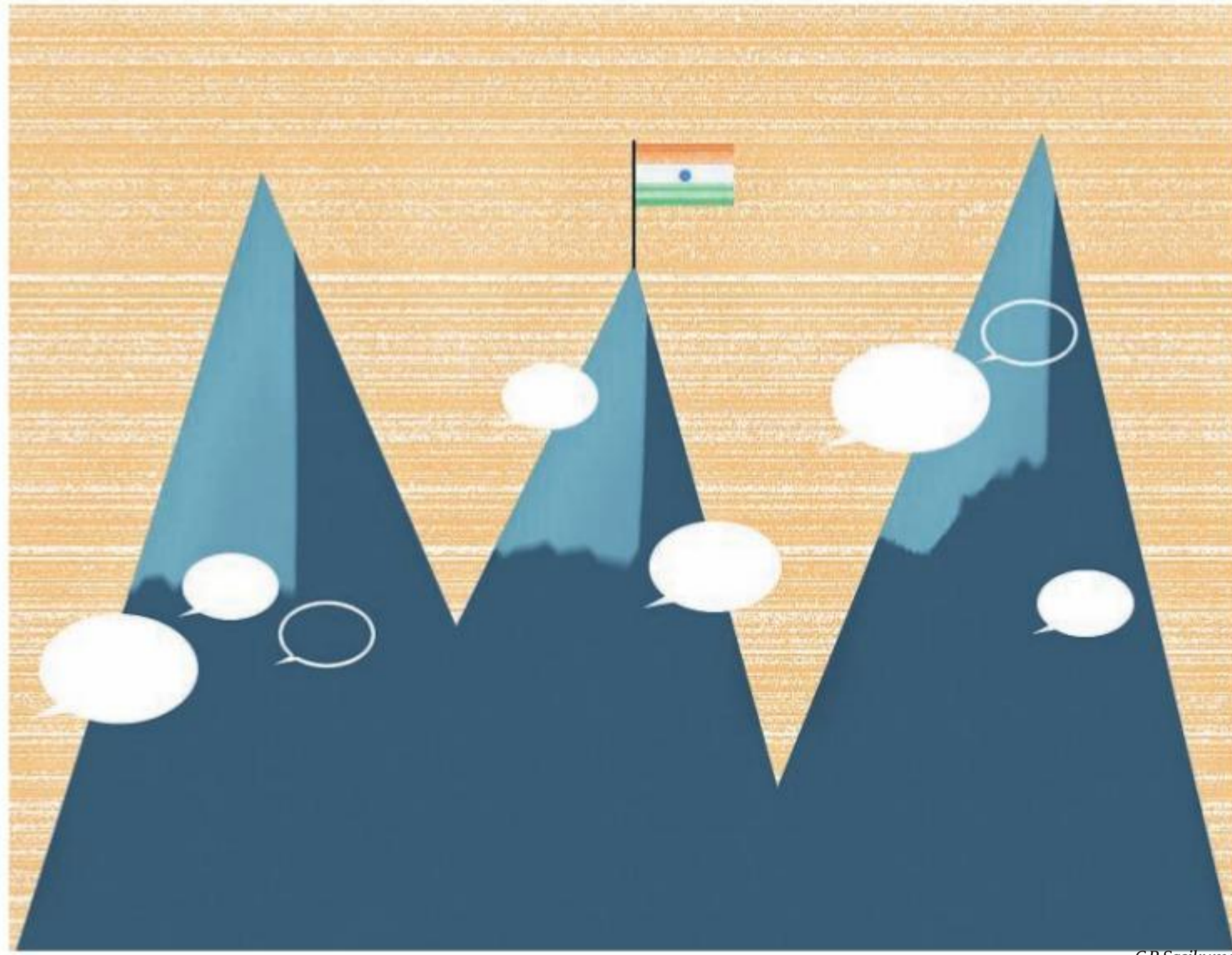
SYED ATA HASNAIN

WHAT PRIME MINISTER Narendra Modi did with his address to the nation was to return the focus of his government's decision squarely to the internal domain. After Pakistan's extremely negative response, the focus was in danger of getting hijacked to the international domain, which would have sent a negative message to the local Kashmiri population. The address was perfectly timed because the question that was arising was whether India would squander the difficult decision at the altar of unnecessary triumphalism without looking at the sensitivities of its implications.

Like many citizens, I too supported the government's decision but had one qualification: I had always hoped that whenever such a decision was taken, it would be with complete political consensus. We have a tremendous precedent for this. In the Joint Parliamentary Resolution of February 22, 1994, all Indian political parties came together to communicate to the world that every inch of the territory of Jammu and Kashmir belonged to India and that the nation would aspire to get it back. However, the circumstances in terms of a fractured polity exist today to a far greater extent, although the geopolitical challenges are somewhat similar. Through his address to the nation, PM Modi kept the discourse of political differences limited and handled it with finesse.

A day after images of National Security Advisor Ajit Doval sharing a meal with locals in Shopian hit the headlines, many people were wondering when normalcy would return, given the fact that routine events which can disrupt peace in Kashmir were approaching as a part of the calendar — Eid and Independence Day give anti-national elements a chance to upset things and bring turbulence to the environment. The NSA's presence in the field was appreciated as well as met with cynicism. What the PM's address did was to dent that cynicism. After his Independence Day speech in 2017 — with its references to "na goli se na gaali se" — this address is the first one which shows complete sensitivity towards the plight of Kashmiris. The essence of the earlier thoughts, along with current sentiments, can actually mainstream the people of Kashmir with India. It will, however, need patience, the ability to execute outreach and retain sensitivity in the face of Pakistan's attempts to enhance the alienation of the people against India.

Before attempting to outline a rudimentary strategy to achieve what the PM has outlined, I need to mention two facets of the government's decision that will work favourably. The first was mentioned by the PM extensively in his address — the dilution of J&K to union territory (UT) status. The PM outlined how exactly J&K had been kept away from development without adequate central oversight. This was one of the ma-



C.R. Sasikumar

lor lacunae responsible for the lack of development, high levels of corruption and lack of distribution of wealth to the common people. The UT status brings the region under far greater political and bureaucratic scrutiny, an aspect which perhaps got missed out in the strategy of 1996 when it was decided to counter Pakistan's proxy war through the early return of democracy. Of course, then there were mindsets about the special status of J&K being cast in iron.

The second facet, not noticed as much, is the fact that the government undertook a bifurcation of the state and not a trifurcation. The latter was expected but did not happen much to the chagrin of the people of Jammu division and especially its strong political community. I think the people of Jammu will ultimately thank the government for this decision. Here is how I justify it: Jammu's linkages with Kashmir are historic and deeply ingrained. The communities may temporarily be at odds with each other due to extraordinary circumstances but the mutual interests bound together in the ties across the Pir Panjal are far in excess of the prevailing negatives. Someone who knows J&K well has obviously advised the government. If a geographical division would have taken place along the Pir Panjal, it would have been perceived as a religious division and that is something which would have been exploited by adversaries. Retaining the integrated nature and ultimately returning the UT to the status of a state in the same make up, mainstreaming Kashmir through the Jammu route, will work far better. In fact, the people of Jammu would have done a yeoman service to the nation for which we need to be grateful.

The PM also made a few promises. What stood out was the extension of central government facilities for staff and security personnel. This must be executed early, as one of the crucial organisations which must remain fully motivated is the J&K Police. Its efficiency and morale makes a difference. The promise to return full statehood should act as a good motivator for the polity and the people. Once the PM has stated this, no other reassurance is required.

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Enhancing the self esteem of the Kashmiri people and improving the governance to deliver quality administration appears the PM's clear intent. There are three issues for his advisors to dwell upon. First, develop a basic consensus and form a few all-party committees for direct outreach to the people. Second, make arrangements for the empowerment of the panchayats to deliver grass roots governance. And third, re-empower a part of the J&K bureaucracy, bringing highest quality administrators to the UT. This will facilitate the PM's promise of early restoration of the state's status. Finally, early elections are needed. The can help the polity of the sub-region rebuild its self esteem.

The writer, a former corps commander of the Srinagar-based 15 Corps, is chancellor, Central University of Kashmir

WHAT THE OTHERS SAY

"In the first eight weeks, police fired 160 rubber bullets and 1,000 rounds of teargas. On Monday, they came close to matching those figures in a single day. Meanwhile Beijing issues barely veiled threats, such as the mass drill of 12,000 riot police in Shenzhen."

—THE GUARDIAN

Jaipal and Sushma, my comrades

They left an indelible imprint on the national canvas. They will continue to inspire generations to come



M VENKAIAH NAIDU

THE PASSING AWAY of two distinguished and dear friends, Jaipal Reddy and Sushma Swaraj, within 10 days has left me with a sense of loss. Jaipal Reddy, 77, and Sushma Swaraj, 67, were more like my siblings — Jaipal was an elder brother and Sushma, a younger sister. They were outstanding parliamentarians, able administrators and brilliant orators. Both had several similarities and their share of differences; similarities include their abilities, disabilities and their long and successful stints in public life.

Jaipal Reddy was handicapped by polio, but he never let it dampen his spirits. By his words, deeds and accomplishments, he epitomised the real meaning of "differently-abled" and proved to be extraordinarily able. I have asked him if he took any conscious effort to demonstrate that he was not constrained by his physical disability. He would say it was the spirit that mattered — the physical disability didn't make any difference to his indomitable spirit. His life was a saga of an irrepressible creative spirit that transcended all obstacles to soar to great heights.

Jaipal was a great orator and an intellectual giant, with the ability to analyse each and every issue. With razor-sharp intellect and sparkling wit, he was a powerful spokesperson of the party he belonged to. He was an excellent speaker in English and Telugu. Both of us used to sit next to each other in Andhra Pradesh assembly and enjoyed exchanging notes. The ruling party members used to call us Tirupati Venkata Kavulu, comparing us to the two famous Telugu poets who used to compose poems in close collaboration.

Sushma defied a socially ordained disability — in our socio-political milieu, there are several impediments in the way of women getting their due. She overcame formidable social barriers by words, deeds and accomplishments, just like Jaipal. Born in the orthodox social order of Haryana, she rose from being the youngest Cabinet minister in the state government to become the first full-term external affairs minister of our country. It was no mean achievement.

In terms of their differences, Jaipal and Sushma belonged to different ideological streams. But the course of political events brought them together, for a short period though, when they were in the Janata Party after the Emergency. Both were strongly bound by their unflinching commitment to making India what it deserved to be.

Jaipal and I were fellow travellers for a considerable period in the politics of united Andhra Pradesh. We were comrades in arms in stirring the proceedings of the legislative assembly. We were vocifer-

ous in taking up issues of public importance and highlighting the omissions and commissions of the government of the day. Being senior to me in the assembly, he was a kind of friendly guide when I entered the AP assembly for the first time in 1978. We used to meet daily over sumptuous breakfast at each other's homes to discuss and set the agenda for the day. And the day used to end with media persons checking with us if their headlines for the next day based on our interventions in the assembly were okay.

Though born in a feudal family, Jaipal had acquired a modern equity and rights-based perspective that propelled his political life. He never compromised on the core moral and political values and never hesitated to raise his voice against the political establishment to which he belonged to and its leadership. We used to often discuss the transformation and evolution of the polity of our country.

Sushma was my soulmate in politics. We struck a strong bond of kinship, which strengthened over the years. When I went to pay my last respects to Sushma, her daughter Bansuri burst into tears and recalled her mother telling her, "I come back relieved every time I meet Venkaiahji as I effortlessly unwind myself of all the burdensome thoughts like a sister does with her elder brother." Cruel destiny has snatched away an affectionate sister from me.

I was associated with Sushma's political journey and its twists and turns. In 1999, when I was in charge of Karnataka, she readily agreed to my suggestion to contest from Bellary in Karnataka and while I was in charge of Delhi from the party, she accepted the chief ministership of Delhi. She was gritty and graceful, both in victory and defeat.

Sushma had endeared herself to the Indian masses. She was seen as the epitome of Indian culture and a true representative of the core values of our country. Her attire, mannerisms, choice of words, modes of expression, effusive warmth and affection, politeness, demonstrated respect for seniors and elders, articulation skills based on the strength of conviction, force of logic and speaking without hurting others, made her one of the most affable political leaders of modern times. She won the respect and admiration of political leaders from across party lines and the people at large.

Both Jaipal and Sushma belonged to that group of political leaders who had strong convictions based on their vast knowledge and rich experience. They can serve as role models for younger politicians. In fact, their eloquent, reasoned and impassioned speeches must be studied by young politicians.

Their physical forms are no longer with us and their voice will no longer be heard. However, they continue to live in their stirring speeches and insightful writings. Those memorable moments, embedded in our national consciousness for eternity, will continue to inspire many and for long.

The writer is vice-president of India

A case of lazy banking

High real interest rates have hurt economic growth

NO PROOF REQUIRED
BY SURJIT S BHALLA

THIS TIME, MP does not mean Member of Parliament, but monetary policy. What I want to discuss today is the fog surrounding monetary policy in India. It used to be the case, around the world, that a deliberate fog was created around central bank speak. That changed post the 2008 financial crisis. Central banks around the world went for the three Cs — clarity and consistency in communication. To a C, all advanced country central banks go for the 3Cs. Among emerging economies I do not know, but what I hear foreign investors say is the developing world is much closer to the advanced economies than to India.

Is India as different as claimed by "experts"? My own experience, and interpretation, is that India is very different because the experts (perhaps including those at the central bank) look at monetary policy very differently. Most importantly, Indian experts look at the monetary policy through nominal lenses; economics is about the real world. After all, nobody talks about nominal GDP growth; when we discuss growth, it is growth adjusted for inflation. Why don't we do the same with the monetary policy variable called the repo rate — or talk of real borrowing and lending rates?

On August 7, the RBI/MPC reduced the repo rate by 35 bp to 5.4 per cent. The first publication to be off to the races was *Bloomberg Quint* which headlined its story "35 Basis Point Cut Takes RBI Rate To 2010 Level". The story was accurate. In April 2010, the RBI raised the repo rate to 5.25 per cent. CPI inflation at that

time was 13.3 per cent, WPI inflation was 10.5 per cent, and the SBI lending rate was 11.8 per cent. IIP (Index of Industrial Production) was growing at 13 per cent.

It certainly doesn't take a weatherman economist to figure out that the repo rate of 5.4 per cent in August 2019 is not even on the same planet as April 2010, let alone be uttered in the same line. But there has been a surprising uniformity in the editorials in the pink press, which have supported the RBI and the MPC action (inaction) — in addition to getting the simple fact of cost of money wrong. If I were governor Shaktikanta Das, I would be worried. After every budget, the industry bodies give a strong heads up to whatever fiscal policy package the government comes up with. Out of 10, the ranking is always — good, bad and ugly budgets, the same — a robust 9. A lot of us (including the pink newspapers) have criticised this hypocrisy and this "Big Brother is watching" fear. This lack of objective analysis is worrisome. But why no objective analysis of RBI/MPC actions on the part of the sheep newspapers?

What could the editorials have said? They could have pointed out that inflation is phenomenally low, and below the notional 4 per cent target for now the third successive year. While the nominal repo rate is the same as 2010, the real repo rate is at 2.6 per cent compared to minus 8.1 per cent in April 2010. Stated differently and equivalently, the cost of capital (repo rate) today is nearly 11 per-

centage points (ppt) higher. SBI lent money then at 11.75 per cent — today, the nominal lending rate of SBI is higher (with much lower inflation) by 2 ppt at 13.75 per cent.

The system is broke, including the experts who report on the system. The same experts blamed the lack of liquidity for the economic slowdown, not the high real rates. Everyone was shouting lack of liquidity as the cause for slow and declining growth in 2018. With this expertly felt lack of liquidity in 2018, industrial production growth Jan-May 2018 averaged 5.4 per cent. With ample liquidity (and all the papers quoted above congratulated the RBI for successfully introducing the much needed liquidity in 2019), IIP growth has averaged 1.9 per cent in 2019. The first five months of 2010 IIP growth averaged 11.9 per cent. But wait a minute — weren't we coming out of the 2008 financial crisis and that is why IIP was so high in 2010 and not because of real interest rates? There is partial truth in that.

Let us compare the first five months of 2011 with 2019. Industrial production growth then was 6.8 per cent; today it is at 1.6 per cent. Real repo rate then minus 2.8 per cent, today plus 3.4 per cent. Real SBI lending rate then 3.6 per cent; today 11 per cent. Liquidity then, ample; liquidity today, ample.

Das has been in office for only eight months. Nevertheless few facts are relevant. Eight months prior to Das's arrival, inflation had averaged 3.9 per cent, repo rate averaged 6.3 and the real repo rate averaged 2.4 per

cent. Over the last eight months, (till July 2019) inflation has averaged 110 bp lower 2.8 per cent; the repo rate has averaged 20 bp lower at 6.1 per cent, and the real repo rate 90 bp higher. I forgot to add — liquidity very stressed in 2018 (according to many experts, that was the cause for the slowdown) and very ample in 2019.

Every monetary statistic contradicts the expert assessment that monetary policy is reducing the cost of money. It is simple math really — if inflation goes up by 10 per cent, and my cost of borrowing goes up by 5 per cent, the cost of money has come down. And just the opposite when inflation declines more than the repo rate. Why is this simple math seemingly not understood by experts?

There are additional factors constraining growth in 2019 and beyond. Tariff wars have intensified, world growth has slowed down, and our competitors are lowering real rates and lowering tax rates. We are raising both. The expert media fully recognises (most of them do) that higher tax rates in a slowing economy will slow GDP growth even more. But why this arrogant dismissal of the one factor the rest of 180 countries find the most potent cyclical, and structural factor, to enhance growth? Why do experts endorse lazy banking as a solution to our growth problems?

Bhalla is contributing editor, The Indian Express. See the full article at indianexpress.com

LETTERS TO THE EDITOR

CONGRESS, DISSENT

THIS REFERS TO the editorial, "Coming apart" (IE, August 9). The editorial criticised the divergent stands of Congress party members on the political developments in Jammu and Kashmir. Some party leaders took a stand different from the "party line". Dissent is an integral part of democracy and it should be encouraged. Anti defection law and presidential style elections make politicians, especially the elected politician, a puppet of the "party line".

Suchak D Patel, Ahmedabad

THIS REFERS TO the editorial, "Coming apart" (IE, August 9). The confusion in the grand old party regarding its leadership is being reflected in the contradictory voices of Congressmen in response to the developments in Jammu and Kashmir. With the Opposition in disarray, a unified stand against the Centre's abrogation of the special status of Jammu and Kashmir appears a far cry.

Vijai Pant Hempur

NEED OF THE HOUR

THIS REFERS TO the article, "Silence of the successful" (IE, August 9). The need of the hour in the country is to focus on stabilising Kashmir rather than telling the people of the Valley that the government is vindictive and vengeful. It is also important to understand that the Babri masjid demolition, completely unethical, was carried out by a mob, not the government. Comparing that incident with a decision of the

LETTER OF THE WEEK

FOOD UNITES

THIS REFERS TO the editorial, "Eat, pray, love" (IE, August 2). The Upanishads describe food as god. Any food item is composed of ingredients which come mostly from agricultural lands which have been worked upon by several workers. It is quite likely that all such people do not have a single religious belief. To a hungry or thirsty man, food is greater than religion. Sujata's food was precious for Gautama on his way to becoming Lord Buddha. Who was Sujata? That would be a foolish question.

Tapomoy Ghosh, Kolkata

government makes no sense.

Vatsal Chaudhary, Delhi

HUMANE LEADER

THIS REFERS TO the editorial, "A dear leader" (IE, August 8). Sushma Swaraj will be remembered more for being humane than as a politician, even though she was a towering figure in Indian politics. As Leader of the Opposition in the Lok Sabha, she played a key role in discrediting the UPA government, paving the way for the BJP's victory in 2014.

Mona Singh, Amritsar