

# 13 BODY & MIND

## SHORT COURSE

### [0-20 YEARS] Tattoo needles may trigger allergic reactions

TATTOOS CAN cause allergic reactions, and tattoo needles, even clean ones, may be partly to blame, a new study found. Previous studies have shown that tattoo inks contain high amounts of nickel, chromium, cobalt and mercury, which are transported to the lymph nodes and can cause allergic reactions. But now researchers have found that an additional source of metal is the needles themselves. Scientists analysed 12 steel tattoo needles and found that all contained chromium and nickel. They looked at the needles with an electron microscope before and after they were used. After a tattooing session, the needles were abraded, with microscopic bits of nickel and chromium worn off. The report is in *Particle and Fibre Toxicology*. We cannot quantify the risk that comes with these particles," said the report's lead author, Ines Schreiber of German Federal Institute for Risk Protection. "But in general, be aware that there might be risks" **NYT**

### [20-50 YEARS] Dog owners may have healthier hearts

OWNING A dog may be good for your cardiovascular health. That is the conclusion of a study of a randomly selected group of 1,769 residents of Brno, in the Czech Republic. None had a history of cardiovascular illness, and 42 per cent owned pets. Researchers scored them on the American Heart Association's seven measures of heart health: blood pressure, cholesterol, blood sugar, physical activity, diet, body mass index and smoking. Then they compared scores of the 24 per cent of the people who owned dogs and the 18 per cent who owned other pets with those of the rest who owned none. Owners of any pet scored higher than those who didn't own a pet, but dog owners scored higher than both. The authors do not conclude that owning a dog by itself assures protection against cardiovascular disease. Instead, the physical activity that dog ownership requires may be the key. **NYT**

### [50+ YEARS] Diabetes: Fish oil supplements show no benefits

TAKING FISH oil supplements has no benefit in preventing or treating Type 2 diabetes, a large review of randomised clinical trials has found. Some observational studies have suggested a positive effect for supplements, which are high in omega-3 fatty acids, and they are widely promoted for diabetes control and prevention. But this new analysis, commissioned by the WHO, included 83 trials involving 1,21,070 subjects with and without diabetes, mostly testing omega-3s against placebo. Omega-3s had little or no effect on the likelihood of a diabetes diagnosis, on average blood glucose levels over time, or on fasting insulin. "There is no evidence from long-term studies that taking fish oil supplements will improve diabetes control or lessen the risk of developing it," said senior author Lee Hooper of Norwich Medical School. **NYT**



Gracia Lam/NYT

## Alternatives to surgery for an enlarged prostate

Up to 90 per cent of men in their 70s have benign prostatic hyperplasia, a nonmalignant growth of the prostate gland

JANE E BRODY

ED GOLDMAN, a retired bookbinder who says he is "pushing 80," does not let his age or enlarged prostate curtail his physical activities and desire to travel. He walks the streets of his beloved New York for about two miles a day, five or more days a week, and knows every possible bathroom stop along his usual routes.

When arriving in foreign territory, he immediately checks out the location of lavatories to avoid an embarrassing accident. "The urgency, when it hits, can be pretty scary," he told me.

Goldman, like up to 90 per cent of men in their 70s, has benign prostatic hyperplasia, or BPH, a non-malignant growth of the prostate gland. As the prostate enlarges with age, it squeezes the urethra that passes through it and can disrupt normal urinary function.

The prostate is a walnut-shaped gland that produces the seminal fluid in a man's ejaculate. The gland typically starts to enlarge in men's 40s as smooth muscle and lining cells proliferate. As the gland gradually increases in size, nearly half of men develop moderate to severe symptoms of the lower urinary tract by their eighth decade of life.

These symptoms can include hesitancy starting to urinate; weak flow; incomplete emptying of the bladder resulting in urinary retention; a frequent urge to urinate, and for some, an urgency that can cause incontinence, especially when lacking immediate access to a bathroom.

The result is often a serious diminution in quality of life, for example, when one has to make a sudden dash to the restroom in the middle of a meeting, golf game, concert or lecture that perhaps lasted longer than expected. The urgent need to urinate makes

getting stuck in traffic or in a stalled subway car ever more stressful.

Goldman said he uses the bathroom every one to three hours and at least once during the night, adding that "it is very unusual for me to sleep for more than six hours at a time." He knows he is lucky so far. For some men who awaken every few hours to use the bathroom while trying not to disturb a bed partner (if they have one), a six-hour stint of sleep would be considered a blessing.

Common risk factors for developing BPH include, in addition to age, a family history of the condition, obesity, metabolic syndrome, a sedentary lifestyle and diabetes. There is a higher incidence among African-American men. Diets high in starches and meat have been linked to progression of BPH, while a vegetable-rich diet has been associated with less severe symptoms.

The good news is there are now quite a number of ways to alleviate the symptoms of BPH short of surgery to remove part or all of the prostate, which can cause other problems, including erectile dysfunction. According to guidelines published by the American Urological Association, recent treatments have focused on slowing the progression of the condition and preventing its complications.

Still, the first approach to relieving the symptoms of BPH, and perhaps even preventing or slowing the progression of prostatic enlargement, are focused on lifestyle changes. They include reducing overweight; minimising liquid intake late in the

day; getting regular physical activity; avoiding smoking and consumption of alcohol, caffeine and highly seasoned foods; and treating constipation.

Also helpful for men (and women) who have difficulty fully emptying their bladder and soon have to return to the bathroom is a technique called double-voiding. After urinating normally, wait about 20 to 30 seconds and try again. Men are likely to have more success emptying their bladders by sitting on the toilet and leaning forward instead of standing.

The traditional "gold standard" remedy for BPH known as TURP, for transurethral resection of the prostate, involves inserting a scope through the penis and cutting away excess prostate tissue to relieve pressure on the urethra. Though TURP is the most effective remedy for troublesome BPH, in addition to causing sexual complications, this surgery incurs a risk of bleeding that limits its usefulness for men like

Goldman who take anticoagulants.

In a less invasive version of TURP with fewer complications, a bipolar current is used to ream out the prostate. Another minimally invasive technique, called HoLEP, uses laser irradiation to remove excess tissue.

Experts say that aggressive surgical treatment like TURP should now be necessary to treat an enlarged prostate only in certain circumstances. These might include inadequate kidney function, recurrent urinary tract infections, bladder stones, blood in the urine, or the patient's unwillingness to take a daily medication or failure to get relief through drugs.

Among currently preferred treatments are several categories of drugs, including alpha-blockers like Flomax, 5ARIs like finasteride, and PDE5 inhibitors like tadalafil. There is also a combination drug of an alpha-blocker and a 5ARI that is said to work better than either one alone. While the sexual side effects of surgery are usually permanent, if such effects are caused by a medication, they can be reversed by stopping the drug and perhaps switching to another one.

There are also now minimally invasive techniques to reduce the pressure exerted on the urethra by an enlarged prostate. In one, called the UroLift System, a telescope-like instrument is inserted through the penis and one or more small bands are inserted to retract the part of prostate that is pressing on the urethra. It is usually done in a urologist's office as an outpatient procedure under local anesthesia and is supposed to result in immediate symptom relief with minimal risk of sexual side effects.

Another minimally invasive procedure, called Rezum Water Vapour Therapy, uses convective water vapour energy to destroy overgrown prostatic tissue. As with the UroLift System, it is done in an office setting under local anesthesia. The risk of side effects, including those associated with sexual performance, is reported to be low.

Keep in mind that most of the data about the success of UroLift and Rezum, including reports from patients, come from their manufacturers. If you are considering one of these, it would be a good idea to speak with one or more men who have had the procedure.

Most important, the urological association insists, is that patients with BPH be told about all the various treatment options and their benefits and risks, enabling them to make an informed decision about how to treat their problem. **NYT**

**Experts say that aggressive surgical treatment like TURP should now be necessary to treat an enlarged prostate only in certain circumstances**

## DIET DIARY

### Why be cautious on whey



BY ISHI KHOSLA

THE USE of protein supplements, especially whey protein, is rising among gym-goers and sportsmen. Endurance and high-intensity workouts do merit an increase in protein requirements, which can usually be met with natural dietary sources. However, most people including youngsters, are now opting for supplements as a convenient choice.

Whey constitutes about 85-90 per cent of the volume of the milk used for transformation into ripened cheese and retains about 55 per cent of milk nutrients. Whey protein isolates, extracted from liquid whey, are more than 90 per cent protein and may contain other substances, including growth factors.

Whey protein is considered the gold standard of protein as it is a high quality, complete protein that is a rich source of branched chain amino-acids (building blocks of proteins) and essential amino acids. Whey proteins are not a single protein but consist of a number of individual protein components. Whey protein contains more leucine — essential amino acid — than milk protein, egg protein and soy protein.

Commonly known benefits of whey include a boost to the immune system, muscle building, lowering of cholesterol levels and high blood pressure and cancer prevention. The benefits of whey protein are well-known and documented. However, not all people are the right candidates for whey as tolerance levels may vary. Increasingly, the issue of food sensitivities comes up as a reason for intolerance. People with known food sensitivities like milk, dairy and gluten, digestive disorders, including stomach and intestinal disorders, must be cautious and avoid whey protein supplements. More often than not, the undesirable side-effects are not recognised early enough.

From skin problems to abnormal liver and kidney function, the side-effects can be diverse. Some of them are abnormal heart rhythm, increased bad cholesterol, digestive complaints like acid reflux, bloating, constipation and cramps, nausea, headache, hairfall, acne, poor bone health and reduced appetite.

Diabetics should be careful and consume whey only if advised by a professional. Whey protein may also increase the risk of bleeding and those taking blood thinners or with bleeding disorders should avoid it. In general, long-term and excessive use of whey protein should be avoided.

Whey protein contains many of the same components found in human breast milk and for this reason, it is a key ingredient in a wide variety of infant formulas, including those for premature infants. However, in infants, colic diarrhoea, failure to thrive, and rashes have been associated with whey protein exposure. Pregnant and lactating women are advised to choose natural sources of protein.

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## Exercise may help women suffering from depression

Benefits may depend on supervision, finds study

GRETCHEN REYNOLDS

FOR WOMEN with serious depression, a single session of exercise can change the body and mind in ways that might help to combat depression over time, according to a new study of workouts and moods. Interestingly, though, the beneficial effects of exercise may depend to a surprising extent on whether someone exercises at her own pace or gets coaching from someone else.

Already, a wealth of recent research tells us that exercise buoys moods. Multiple studies show that physically active people are more apt to report being happy than sedentary people and are less likely to experience anxiety or depression. In a few experiments, regular exercise reduced the symptoms of depression as effectively as anti-depressant medications.

But science has yet to explain how exercise, a physical activity, alters people's psychological health. Many exercise scientists speculate that working out causes the release of various proteins and other biochemical substances throughout our bodies. These substances can

enter the bloodstream, travel to our brains and most likely jump-start neural processes there that affect how we feel emotionally. But it has not been clear which of the many substances released during exercise matter most for mental health and which kinds of exercise prompt the greatest gush in those biochemicals.

Those open questions prompted Jacob Meyer, an assistant professor of kinesiology at Iowa State University in Ames, to start considering endocannabinoids and the runner's high.

As the name indicates, endocannabinoids are self-produced psychoactive substances, similar to the psychoactive compounds in cannabis, or marijuana. Created in many of our body's tissues all the time, endocannabinoids bind to specialised receptors in our brains and nervous systems and help to increase calm and improve moods, among other effects.

Past studies show that exercise often increases the levels of endocannabinoids in the bloodstream, probably contributing to the so-called runner's high that leaves some people feeling tranquil and floaty after workouts.

At the same time, problems with the endocannabinoid system are linked with some



Getty images

mental health concerns. People with diagnoses of depression often have relatively low levels of endocannabinoids in their blood.

So, Meyer thought, might exercise that increases endocannabinoid levels potentially play a role in combating depression? And if so, what kinds of exercise would produce such an increase, and what kinds would not?

To learn more, Meyer turned to stored

blood samples and other records from a relevant earlier experiment. That research, which he had conducted as a doctoral student at the University of Wisconsin, had involved women with major depression completing a number of workouts on stationary bicycles.

Each of the workouts lasted for 20 minutes, but their intensities varied substantially, from light to draining. During most of the sessions,

the women were told how intensely to pedal, with their efforts monitored and adjusted so they maintained that level. But during one workout, they could choose the intensity, pedalling as easily or strenuously as they liked.

Before each session, the women gave blood and completed questionnaires about their emotional states. Immediately afterward, they gave blood again and, 10 minutes and 30 minutes later, repeated the questionnaires.

In earlier studies using data from this experiment, Meyer reported that any exercise, whether its intensity was light or difficult, left the exercisers feeling more cheerful. However, the positive impacts tended to be more substantial when the women followed directions about how intensely to exercise compared to when they set their own pace.

Now, for the new study, recently published online in *Medicine & Science in Sports & Exercise*, Meyer set out to see if any changes in the women's endocannabinoid levels after the different sessions might have played into that dynamic. For the sake of a simple comparison, he focused on one session in which the women had cycled continuously at a moderate pace and another in which they had pedalled at whatever intensity they chose. For most, their you-pick effort was gentle; but for others, it

was moderate, and for a few, intense.

And he found notable differences in outcomes. After both workouts, the women reported feeling less depressed and worried. But only when they had followed instructions to pedal moderately did their blood show increases in endocannabinoids. When they had exercised at their preferred pace, even if it was moderate, endocannabinoid levels remained unchanged. What these results suggest, Meyer says, is that being coached leads to different impacts on our bodies and minds than working at our own pace, whatever that might be.

Why the prescribed exercise should have increased endocannabinoids, though, while the go-as-you-please workout did not is still mysterious, he says. It may be that our brains recognise when a workout's intensity is not one we would voluntarily choose and prompt the release of substances that make the effort more tolerable. That idea requires additional research, he says. This study also did not look at men with depression or the long-term impacts of the exercise.

Overall, the study underscores that our responses to exercise can be complicated, intertwining the physiological and the psychological, Meyer says, but any exercise is better for mental health than none. **NYT**





MAN IS A NOISOME BACILLUS WHOM OUR HEAVENLY FATHER CREATED BECAUSE HE WAS DISAPPOINTED IN THE MONKEY. — OTTO VON BISMARCK

## The Indian EXPRESS

FOUNDED BY  
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

### BIGGER, BETTER

Consolidation of state-owned banks is an ambitious step. Its success will hinge on stronger central bank, governance reforms

ALMOST THREE DECADES after the M Narasimham Committee first recommended a redrawing of India's banking landscape, the NDA government on Friday announced a big and bold step to consolidate state-owned banks. According to the mega merger plan unveiled by the finance minister, Nirmala Sitharaman, Oriental Bank of Commerce and United Bank of India will be merged with Punjab National Bank, making it the second largest bank in the country, while the south-based Canara Bank and Syndicate Bank will become one entity which will make it the third largest local lender, besides an amalgamation of Andhra Bank and Corporation Bank with Union Bank of India and Allahabad Bank with Indian Bank. This comes on top of the merger of associate banks of the SBI with the parent bank, and that of Vijaya Bank and Dena Bank with Bank of Baroda during the Narendra Modi government's first term, thus pruning the number of government banks to a dozen.

A consolidation offers the promise of economies of scale, leveraging of pooled resources, manpower, brands, better utilisation of branch networks and increased efficiencies. Supplementing these will be the government's decision to infuse capital separately into many of these banks and game-changing reforms such as the insolvency law and the asset quality review of lenders. In the near term, this will certainly benefit the largest shareholder, the government, more, with fewer banks to focus on and to assign capital. But the question is whether creating bigger banks will necessarily lead to the emergence of stronger entities. The biggest potential risk in such a consolidation blueprint is the swelling of more systematically important or too-big-to-fail entities and the systemic challenges they pose as the IL&FS blow-out showed. Manpower rationalisation and cultural fit will also be issues. Overcoming political resistance, and that of bank unions, may also not be easy. The process of integration will be difficult, consuming a lot of political and managerial energies.

The success of this ambitious plan to shrink the number of banks in India will hinge on a much stronger and more independent central bank with an enhanced capability to supervise these banks and ensure financial stability. It will also mean further bolstering the RBI's capital buffers. The government's move on Friday comes at the right time, with the NPA or bad loans problem appearing to have bottomed out. But India's banking reforms will be complete only when the next set of governance reforms show in board driven and professionally run banks, which are free to operate without policy constraints or hounding by probe agencies and when the government reduces its equity. That should be the next milestone.

### GLOOMY NUMBERS

With growth slumping, government must address structural issues plaguing the economy

INDIA'S ECONOMY EXPANDED at the slowest pace in 25 quarters in the first quarter of the current financial year. Gross domestic product (GDP) grew by a mere 5 per cent in the first quarter of 2019-20, down from 5.8 per cent in the fourth quarter of 2018-19, as both consumption demand and investment weakened. In its last monetary policy meeting in August, the RBI had lowered its growth projections, forecasting GDP growth to average 5.8 to 6.6 per cent in the first half of the current financial year. But the numbers released by the statistics office, which are well below expectations, suggest that the slowdown is more entrenched than what is believed.

Higher public spending appears to have helped stem the slide. Excluding public administration and defence, which largely connote government spending, gross value added by the remaining sectors of the economy grew by 4.5 per cent, down from 5 per cent in the previous quarter, signalling the extent of the slowdown. Manufacturing activity barely registered a rise, growing by a mere 0.6 per cent in Q1FY19. Construction also slowed down to 5.7 per cent, down from 7.1 per cent the previous quarter. The collapse in consumption demand, which has been the bulwark of growth over the past few years, is worrying. Private consumption growth, which has slowed down sharply to 3.1 per cent down from 7.2 per cent in the previous quarter, is unlikely to perk up sharply in the near term. Investment activity, which grew by 4 per cent, is unlikely to witness a quick revival. Going forward, the government is likely to front-load its expenditure, giving a push to economic activity. The cumulative impact of the rate cuts by the MPC (the sharp slowdown creates room for further cuts) will also be felt over the coming quarters. But a broad-based pick-up in economic activity is unlikely in the near term.

In light of the new numbers, the clamour for the government to loosen its purse strings will only get louder, especially after it has received Rs 58,000 crore more from the RBI than what had been budgeted for. But the space for counter-cyclical fiscal policy is all but exhausted. The government has over the past week announced a slew of measures aimed at arresting the slowdown. While sector-specific sops will provide some relief, they are unlikely to address the deeper issues plaguing the economy. To salvage growth, a business as usual approach will no longer suffice.

### ALAS, POOR MRD

Three generations of our ancestors, the Australopithecines, are now identified. But MRD is shaking the family tree

THE FANTASTICALLY NAMED Yohannes Haile-Selassie of the University of Cleveland, who has unearthed an almost perfectly preserved skull of an ancestor of Lucy, has boggled the minds of his peers and uprooted the carefully manicured timeline of the human race. Because while traditional thinking suggests that each species bowed off the Darwinian stage in favour of a more evolved descendant, stratigraphic dating of the new skull discovered in Ethiopia suggests that the species shared the world with its descendant Lucy for at least 1,00,000 years. Perhaps they shared families, too.

Let's get the problem pegged out neatly. Lucy is an *Australopithecus*, of the genus from which our own line of Homo is descended. She is properly known as *Australopithecus afarensis*, and was named Lucy because when her fossilised bones were brought into camp in the mid-70s, they were playing *Lucy in the Sky with Diamonds*. In the taxonomic literature, she is unglamorously known as AL-288-1, but she had galvanised the scientific community when her age was determined — 3.2 million years. But she was not the first of her genus to be discovered. That honour goes to Raymond Dart's Taung Baby, formally *Australopithecus africanus*, aged 2.8 million years, who was found 95 years ago. And now we have its grandparent and Lucy's ancestor, *Australopithecus anamensis*, aged between 4.1 and 3.6 million years. Three generations of the pre-human family etched in stone.

Time wages a relentless war of attrition with identity, and the oldest member of a family is often nameless. He is just Grandpa. Following this unkind tradition, no one has named the new find. The literature records it only as MRD. But this old codger has rattled our cage, and our evolution is no longer a linear transition from MRD to Lucy to the Taung Baby, and finally to us.

# Beyond economic band-aid

Stimulative impact of RBI transfer is lower than presumed. Sustained reforms remain key



SAJJID Z CHINOY

EVEN AS THERE has been a slew of comments around the RBI's surplus-capital transfer to the government, confusion reigns on its macroeconomic implications. There's a perception that a fresh stimulus of the amount transferred (Rs 1.76 lakh crore) is now available. Consequently, market participants are queuing up to suggest where this fresh spending should be deployed. Indeed, a stimulus of this quantum (almost 1 per cent of GDP) invested in public infrastructure projects — that have large multiplier effects — should be enough to arrest the current slowdown, right?

Not quite. It's important to understand how this transfer will get absorbed into the Budget. For starters, Rs 28,000 crore of this amount was already transferred and used in last year's budget. Additionally, the July budget penciled in Rs 90,000 crore as RBI dividends for 2019-20. So this amount has already been budgeted to pay for extant expenditures and is not available for fresh spending. That leaves us with a more modest sum of Rs 58,000 crore or 0.3 per cent of GDP. Won't additional spending of this quantum boost aggregate demand?

Not quite. That's because — in all likelihood — these funds won't be available for financing new expenditure, but will have to be used to reduce the quantum of expenditure cuts to meet this year's fiscal target of 3.3 per cent of GDP. Why is that? Because tax collections have been budgeted very aggressively. Gross tax collections grew at just 8.4 per cent in 2018-19 off nominal GDP growth of 11.2 per cent (a tax buoyancy of 0.8).

In 2019-20, after adjusting for the tax rate changes, gross tax collections have been budgeted to grow at 15 per cent. Even if nominal GDP were to grow at 11 per cent (the first quarter grew at 8 per cent), this would imply a tax buoyancy of almost 1.4 — the highest in three years. With growth likely to slow further this year, we think achieving a sharp jump in tax buoyancy is improbable. As a case in point, gross tax collections grew at just 1.4 per cent in the first quarter of the fiscal year.

Consequently, like last year, potentially large expenditure cuts will be necessary to meet the fiscal deficit target. In 2018-19, ac-

tual expenditures were lower by 0.8 per cent of GDP (Rs 1.5 lakh crore) compared to what was budgeted. Even if tax collections grow at 14 per cent this year — which implies a higher buoyancy despite weaker growth — this would still imply a potentially hefty shortfall of 0.7 per cent of GDP (Rs 1.5 lakh crore) in net revenues, which means spending would have to be cut by a commensurate amount to meet the fiscal deficit target.

This is where the RBI's higher-than-budgeted transfer will likely be used, because it will ensure that less spending will need to be cut to meet the fiscal deficit target. Therefore, contrary to casual presumption, the RBI's extra dividend will not facilitate extra spending, but reduce expenditure cuts required to stick to the budgeted fiscal deficit. Qualitatively, the one-time dividend from the RBI constitutes an "asset sale" of the government, because it's a reduction of the government's equity in the central bank. It's important, therefore, that revenues from asset sales are deployed towards creating fresh assets, rather than being used to finance current expenditure.

All told, will the RBI transfer constitute a fiscal stimulus for the economy? At the aggregate level, that would normally depend on whether the Centre's fiscal deficit widens. If the actual deficit remains at the budgeted level of 3.3 per cent of GDP (as we believe it will) — with the RBI dividends being used to offset tax shortfalls — there should be no stimulus, right?

Not quite. This is because in India asset sales are counted above the line (as a revenue item) instead of below the line (as a financing item), which is how most other countries treat asset sales. Therefore, the true fiscal impulse is determined by deducting asset sales from the fiscal deficit, because asset sales, unlike taxes and duties, aren't contractionary.

Therefore, even if the deficit stays the same, the fact that asset sales will increase by 0.3 per cent of GDP (on account of the RBI transfer) implies that India's fiscal impulse will increase by 0.3 per cent of GDP in 2019-20. So there will be a stimulative impact of 0.3 per cent of GDP on the economy. It will, however, not come from new expenditures, but instead from replacing tax shortfalls (which are con-

tractionary) with the RBI dividend (which is not) on the revenue side. So the stimulus will come from the changing composition of revenues rather than new spending — something that's currently lost on markets.

Of course, this also assumes the RBI dividend doesn't simply offset shortfalls of other asset sales (disinvestment). The government has correctly set an ambitious disinvestment target of 1.05 lakh crore this year. Now it must follow through. If disinvestment targets are missed, and the RBI dividend simply ends up substituting for that shortfall, total asset sales will not increase this year and there will be no stimulative impact of the RBI dividend at all.

Finally, with the Budget receiving a larger-than-expected windfall from the RBI, reducing the likelihood of any fiscal slippage, government bonds should have rallied, right? Rather, they have sold off in recent days. This is potentially because the special dividend will add to inter-bank liquidity as soon as the government spends it. Therefore, for whatever liquidity target the RBI has in mind, the central bank will have to do 0.3 per cent of GDP less of open market operation (OMO) purchases and/or FX purchases. From the perspective of bond markets, therefore, the number of potential OMOs for liquidity creation reduces, possibly explaining the recent hardening of bond yields.

Contrary to popular perception, therefore, the RBI dividend transfer is not a panacea. At most, we believe it will have a stimulative impact of 0.3 per cent of GDP — and, that too, assuming the steep disinvestment target is met. Instead, what has been very encouraging in recent days is the flurry of announcements by the government to ease frictions and attract more FDI across various sectors. But much more of this is needed. India's growth slowing to just 5 per cent in the April-June quarter is a stark reminder, as if one was needed, of the severity of the slowdown. We believe India's economy needs sustained structural reforms to boost potential growth. The RBI dividend, at best, is a cyclical band-aid.

The writer is Chief India Economist at JP Morgan. All views are personal

## WHERE MEDIA IS BESEIGED

Populism in South Asia threatens to reduce media to banal agitprop



KHALED AHMED

WHEN LEADERS ARE powerful and charismatic, it is difficult to report on them objectively. Their supporters are emotional and often do not accept reports that could serve as correctives in democracy. Much-loved leaders often appeal to hidden national intolerance and so, are not impartially assessed.

The Pakistan Electronic Media Regulatory Authority (PEMRA) is "censoring" TV comment during debates. This censoring is carried out in many ways including phone calls to cable operators in the private sector. Channels can be suddenly switched off and critics can be silenced through mysterious warnings and threats that can force commentators to leave the country. People who come on TV with forceful critiques disappear mysteriously, only to be released a few days later after they have sworn to keep mum. When nationalism is on the upswing — especially when the state is expected to go to war — the media is reduced to banal agitprop.

India is no different. Raksha Kumar, in *Foreign Policy* (August 2), gives us a tour d'horizon: "For much of Modi's first five years in office, his government seemed to get a free pass from the country's pliant media. In November 2016, when Modi abruptly recalled 86 per cent of the country's currency — to fight corruption, he said at the time — many influential media outlets failed to ask crucial questions. By initially lauding what most economists called a damaging move and by buying the government line, journalists helped spread

the incorrect perception that phony economics could fix big problems. In the end, India's growth rate dropped for several quarters."

"In February, Indian military pilots struck the Pakistani town of Balakot in response to a suicide attack on its soldiers. India's media was awash in jingoistic sentiments, unquestioningly publishing in print and broadcasting on TV the government line that New Delhi had killed a 'very large number' of militants from the Jaish-e-Mohammed terrorist group. Days later, Reuters and some other international media challenged the government line with satellite imagery as evidence; but the damage, once again, was done, as most Indians had already been sold New Delhi's version of events," Kumar continues.

Pluralism is at risk in South Asia from populism. Prime Minister Hasina Wajed of Bangladesh has a three-fourths majority in the country's Parliament and the media is too scared to speak the truth and risk being roughed up by Awami League supporters. In the run-up to the 2018 election, the opposition Bangladesh Nationalist Party (BNP) suffered mass arrests on trumped-up charges. Mysteriously, more than 40 candidates of the Opposition alliance left the electoral race while the vote was being cast. *Daily Star's* editor is said to have been asked to pay about \$8 billion to satisfy the "defamed" citizens. The "mob" is always there to do the needful if an erring journalist doesn't "let go". Media was controlled under the military

rule of Generals Ziaur Rehman and H M Ershad. Khaleda Zia and Hasina Wajed acted in a similar manner, one leaning on the power of the military and the other on the charisma of the founder of Bangladesh, Sheikh Mujibur Rahman. Reporters Without Borders ranks Bangladesh 146th out of 180 in the 2018 World Press Freedom Index. Thirty-two journalists revealed to Reuters that "the recent strengthening of defamation laws with a new Digital Security Act has spread a climate of fear in the industry."

When the police gets to you in Bangladesh, they do so under legislation that Bangladeshi journalists don't like. In Pakistan, it's different because you don't know who is threatening you, and if you get a drubbing you are not supposed to reveal your assailant. Such things have happened to journalists, bloggers — they get a rough deal in Bangladesh too — university teachers and even women reporters.

In Pakistan, the personal appeal of Imran Khan is the most powerful phenomenon faced by the media. Modi is powerful in India and Imran Khan is powerful in Pakistan. This doesn't bode well for the future of South Asia. Not being criticised is no merit as it deprives the common citizen of an objective mechanism of judging the elected leader. As both sides suffer from the same measure of inflexibility it clearly points the way to war.

The writer is consulting editor, Newsweek Pakistan



## AUGUST 31, 1979, FORTY YEARS AGO

**UP DROUGHT**  
THE UTTAR PRADESH Vidhan Sabha has discussed inconclusively the grave drought situation in the countryside where the kharif crop had dried up, cattle are dying, tubewells and pumping sets are not operating for want of electricity and diesel and canals are cut by desperate peasants. MLAs have warned the government, which was accused of having failed to do anything to address the situation arising out of rioting by farmers for water from tubewells, pumps and canals.

**RAJASTHAN FAMINE**  
AFTER THE FLOOD ravages of mid-July in five districts, Rajasthan now faces famine in a vast

area because of a severe drought. Except for the flood-affected region, in the rest of the state crops have started withering — it is likely to force about 1,00,000 people with more than two million livestock to migrate.

**RANK OVERHAUL**  
THE THREE SERVICES chiefs have urged the government to overhaul the rank structure in the armed forces, envisaging better career opportunities from the bottom to the top, including the creation of six more full generals, three more admirals. In a paper presented to the government, the three chiefs have said that the strength of Indian forces has increased manifold since Independence

and it is time that each command is placed under a full four star general in the army or equivalent rank in the air force and navy.

**COUPLES' POSTING**  
MARRIED WOMEN IN the IFS and IAS want their posting at the place where their husbands are serving. In the past, when the number of couples in the two services was small, the government was able to oblige them. The foreign office would arrange that they were posted in the same mission, sometimes even by upgrading certain positions. Now, since more and more batchmates are marrying the government is thinking of what to do.



# 15 THE IDEAS PAGE

## A politician and an optimist

Arun Jaitley will be missed for his friendships across political camps, and contribution to policymaking. Above all, he was a man of ideas



NO PROOF REQUIRED

BY SURJIT S BHALLA

ARUN JAITLEY, A keen legal, political, economic and cricket mind, passed away way before his time at the age of 66. He was also a friend and mentor to many, and was part of the BJP trinity of Modi-Jaitley-Shah. Jaitley had many leadership attributes, but in my opinion, in the main, he was a policy ideas man.

India will feel his contribution for a long, long, time. Both the Goods and Services Tax (GST) and bankruptcy code are mega financial sector reforms, and possibly the most impactful. I want to briefly discuss his contribution and leadership towards making reforms happen.

The adoption of GST was not Jaitley's brainchild, but he certainly was the one who made it possible. There was a lot of opposition from the states, and from politicians of all hues. Its passage needed cajoling, negotiation, and single-minded pursuit. It required a constitutional amendment, and support from the Opposition. Both ex-post and ex-ante, Jaitley was born to make this legislation possible.

Via the adoption of GST, the world learnt of another of Jaitley's attributes — the ability to own up to mistakes, and work towards rectification. It is difficult to conceive of mistake-less economic reform, particularly in implementation. The GST had too many rates, and mishaps were not properly accounted for. It had to be learning by doing. Never once did the then finance minister claim that things were working well; exporters not getting their credit in time — true, and we will address that problem. And Nirmla Sitharaman has promised that all past dues will be paid within the next three months. Too many rates — also acknowledged and the GST council, led by Jaitley, repeatedly cut rates. Again, no excuses were offered other than the realistic apology that GST decisions, given the federal nature of the tax, and the economy, had to be broadly by consensus. But India has seen more adjustments in GST law, and with zero flip-flops (to date), than any reform in recent memory.

Policy-making, even by the best, is never perfect. It is not my case, nor of any other admirer of Jaitley, that he made all of the right decisions at the right time. But not only was he most open to criticism, he was actually very good-humoured about it. I remember the July 2014 Budget, the maiden budget of the Narendra Modi government. PM Modi had run a successful political campaign against UPA economics, and one of the "jewels" of UPA policy was the retrospective tax. Everyone expected the tax to go, but it remained. When confronted, Jaitley smiled it off, took blame rather than point to any bureaucrat, and said it will be changed in due course.

Here again is a lesson for all of us recommending, or changing, economic policy. The power of the bureaucracy is quite supreme. That it should be so, and was so, in 1947 is well understood. But why that should be the case in 2004, or 2014, or 2019 is something that historians and psychologists should jointly consider.



C.R. Sasikumar

I never worked for, or with, Arun Jaitley. Over the years, we have met at seminars. From my side (at least) there was a strong interest in establishing "contact" with Arun, especially since our interests overlapped so much. A law degree was my choice when very young; I am sure (I think!) that Jaitley at some time or another must have wished that he was an economist! We both had a strong and passionate interest in cricket — and he bought me two tickets for a match at Ferozshah Kotla some 20 years ago. And that ticket came my way after a discussion over cricket. As it now transpires, and deservedly so, Ferozshah Kotla is going to be renamed the Jaitley stadium.

My real bond with Jaitley (again from my side) was in our obsession with policy ideas. The subjects for passionate discussion were economics, politics (elections) and cricket. He had very sound ideas about elections. For a long time, he was maintaining that 2019 would be a presidential-type election. It was. That the aspirational middle class would decide the election. It did. And that PM Modi's inclusive growth agenda would win him the hearts and minds of the Indian electorate — right again. And substantiated rumour has it that his estimate of the BJP victory was very, very, close to the actual.

That policy-making is never perfect, even with the best of minds and the best of intentions, is illustrated by two "mishaps" in economic policy under Jaitley's stewardship. The first occurred with the guarantee of 14 per cent annual return in GST revenue for the states for five years from the date of implementation in July 2017. Nominal growth in GDP has averaged close to 10.5 per cent from that date. That is a loss of approximately Rs 45,000 crore annually to the Centre.

How much can this loss be attributed to an over-eager Centre wanting to get a mega economic reform under their belt? Was Jaitley a bad negotiator? No. The 14 per cent guarantee seemed the most expected reality at that time. Nominal GDP had grown by an average of 14 per cent over the previous five years. The newly formed Monetary Policy Committee (the main "arbiter" of inflation rates in India) was predicting accelerating inflation and hence, 14 per cent growth in GST rev-

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enues, did not seem such a stretch. It is another story that the MPC (and associated economists) got their inflation forecast horribly wrong for the next 2+ years, and possibly at least the next 5+ years, and beyond.

The "institution" of MPC may not have been much of a reform at all. Again, a reality check-mate on a reform that on paper seemed reasonable. The UPA regime had unleashed a decade of historically the highest annual inflation in India, even higher than that in the wake of the global high-inflation decade of the 1970s (induced by the quadrupling of the price of oil in October 1973). This was also the period of the highest fiscal deficits. Economists put two and two together and reached five.

Fiscal policy is about taxation and expenditures. On expenditure, the restraint shown by Modi-Jaitley has been exceptional — and from my point of view, too exceptional. Unfortunately, the fiscal hawks (including those in the Bimal Jalan committee) do not give the duo enough credit. I have already documented the path-breaking nature of GST reform. The first major direct tax reform was also initiated and inspired by Jaitley. Direct taxes were reduced in the 2019 interim budget; this was the first reduction in 22 years. Second, Jaitley announced that the goal of the government was to tax all corporates at a 25 per cent rate. Hopefully, we will reach, and exceed, his target soon.

Jaitley was an optimist, and someone who always saw possibilities for India well before most others. It is also remarkable (and a tribute to Jaitley's genius) that when no one saw potential in Modi post the 2002 Godhra riots, Jaitley was prominently by Modi's side. His ability to accurately size up individuals came across when he described me as a one-handed economist. Not sure he meant it as a compliment, but I took it as one — and he was accurate.

They say, and research proves, that an optimist lives much longer than a pessimist. The real loss to the nation, his party, and even non-supporters, is that he was rudely taken away so much before his time.

Bhalla is contributing editor, The Indian Express. Views are personal

## WHAT THE OTHERS SAY

"The sovereignty of parliament ought to be upheld, not least because it is the principle Brexiters said they wanted to preserve. Mr Johnson's move has united his opponents in righteous indignation." —THE GUARDIAN

## Propaganda comes of age

Films like 'Uri: The Surgical Strike' and 'Chalo Jeete Hain' give longer life to the jumla



AAKASH JOSHI

ON JULY 21, 2018, the BJP's official handle tweeted: "Chalo Jeete Hain" is a short film which compels you to think who do you live for? It presents an inspiring story of young Naru, destined to serve the nation. Guess who?" Earlier this month, *Chalo Jeete Hain* won the National Award for Best Film on Family Values. *Uri: The Surgical Strike* received multiple awards too, for acting and its technical finesse. Even *Toilet: Ek Prem Katha* managed to win an award for choreography.

First, the obvious point: All three films are a blatant exercise in propaganda for the government, the ruling party and Prime Minister Narendra Modi (he is indeed Naru), and it may well be the case that they have been rewarded for this loyalty through the national awards. But, more importantly, two of the films (*Toilet* is a bore, and does not move beyond being a two-hour-long PSA) display a technical finesse and narrative subtlety that makes them far more convincing than all the advertisements, apps and TV channels that have been deployed thus far in service of a government and the ruling party's ideology.

*Chalo Jeete Hain*, for example, retroactively assigns to young Naru many of the themes that were a hallmark of the prime minister's first term in office. He is a bright student, does indeed serve tea at the railway station, is filled with concern for a poor, Dalit classmate (Harish) whose mother is fated a life of misery in pre-swachh Bharat. Naru's mother coughs at a chulha because presumably, there is no Ujjwala Yojana. But it is in Naru's "rescue" of Harish and his interactions with his Guruji that the most interesting foreshadowing of today's politics takes place. Harish does not attend school despite being academically bright because he cannot afford a uniform, and Guruji insists that exceptions (a masterful attack on reservation) erode social unity and discipline. Eventually, through a play, Naru manages to raise money from the local landlord to help Harish. There must be no exceptions, divisions, no circumstances in this ideological project.

Like the archetype of the mythical hero, the narrative of New India is read back into the past, and fused with the politics of today. Naru's inspiration is Swami Vivekananda, and he wants to "live only for others". He is the *adarsh balak*, set to be *maryada purushottam*.

Yet, this message isn't forced down your throat, and for those who are politically neutral, or not given to putting every frame of the 31-minute film under the microscope, *Chalo Jeete Hain* is, in fact, a quite pleasing watch. It is in the vein of Amol

Gupte's films (*Stanley ka Dabba*, *Hawaa Hawaai*), a world of children, where their innocence allows them to bring about change in the lives of their compatriots because the desire to help has not been tamped by society and cynicism.

*Uri: The Surgical Strike* is a far more popular film. Everyone from the prime minister to senior cabinet ministers and BJP leaders, were peppering their public statements with "How's the josh!", leaving those who hadn't seen the film somewhat perplexed. But first-time director Aditya Dhar has managed to replicate and cash in on — arguably to an even greater extent than *Border* — the currency of cool that has defined Hollywood's celebration of the US military-industrial complex (think *Zero Dark Thirty*). And there, like here, well-made propaganda featuring soldiers, receives great accolades. The Indian army is beyond reproach, as are the national security advisor and the prime minister. The latter fulfils his promise — *ghar mein ghus karmareng* — after the attack by armed militants at the Indian Army base in Uri. The soldiers are slick, the equipment state-of-the-art, and the enemy is a monster. "Terrorism", and the death of soldiers allows Indian forces to torture, kill without trial.

Neither *Uri* nor *Chalo Jeete Hain* claim to be wholly factual, just as the *Bal Narendra* comic was not an official biography, and the numbers of "terrorists killed" being circulated by political sources (not government) after the surgical strikes or Balakot attacks have never been confirmed by the military. The films, well-made, appealing and "based on facts", have a far greater impact, each for a different reason. In *Uri*, the big-screen experience, the larger-than-life and infallible Indian government, lends credence to the stories about the surgical strike(s). It makes real, in mythical proportions, the rumours of what went on because the Indian people do not know what really went on. *Chalo Jeete Hain*, a short film, takes a different route. It tells a small story, something out of a folktale or even Premchand. It confirms that for the prime minister, family has always been the fellow citizen and it does it in close ups, through a gentle background score and some masterful lighting. It confirms a biography that is not yet substantiated, makes every government scheme part of the PM's personal narrative.

It is precisely because of the paucity of verified details about their subject matter that both films can appear as truth, or perhaps the lie that is repeated so often that it becomes so. Unlike the ham-handed government ads, or even the poorly-scripted attempts like *Toilet: Ek Prem Katha*, these films will keep you on the edge of your seat, make you cry for the disenfranchised and make you hate the villains and love the heroes.

These stories will make true every half-truth, make history out of every jumla. As such, they do deserve recognition for being pioneers, harbingers of a new era: Indian propaganda has come of age.

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## Man for all seasons

Arun Jaitley provided a political compass to the BJP till the end



GAURAV BHATIA

Hazaron saal nargis apni benuri pe roti hain/ badi mushkil se hota hai chaman mein deedarw paida -Iqbal

ARUN JAITLEY WAS a multi-faceted individual. A brilliant lawyer, darling of the media, erudite parliamentarian, foodie and a witty and generous human being, he touched the lives of everyone who came into contact with him. He took inspiration from the poem written by the former prime minister, Atal Bihari Vajpayee: "Toot sakte hain magar hum jhuk nahin sakte".

In cricket parlance, Jaitley, an ardent cricket lover, completed his innings on August 8. He will be remembered for the sixes and fours he regularly hit, especially when they were most required by his team, the BJP.

As finance minister of the country for almost five years, starting from 2014, he was instrumental in implementing GST. Consensus building was sine qua non for the implementation of GST and, there was no better consensus builder than Jaitley. It was his vision and ability that helped the NDA government to open 35 crore Jan Dhan accounts so that the formal banking system reached the marginalised; the Jan Dhan accounts ensured that they were brought into the mainstream and empowered.

Another feather in his cap was the enactment of the Insolvency Code in 2016. The Insolvency Code has resulted in the recovery of more than 1.5 lakh crore of bad debt. The Supreme Court in *Swiss Ribbons (P) Ltd. v. Union of India* said: "We are happy to note that in the working of the Code, the flow of financial resource to the commercial sector in India has increased exponentially as a result of financial debts being repaid. Approximately 3,300 cases have been disposed of by the adjudicating authority based on out-of-court settlements between corporate debtors and creditors, which themselves involved claims amounting to over Rs 1,20,390 crore. These figures show that the experiment conducted in enacting the Code is proving to be largely successful. The defaulter's paradise is lost. In its place, the economy's rightful position has been regained."

Such was Jaitley's respect for institutions of the country that when on January 12, 2018, four justices of the Supreme Court of India held a press conference and certain opposition parties tried to derive political mileage out of it, he, out of reverence for the institution that he served so well, respected the doctrine of separation of powers and maintained that the BJP will act with rectitude, exercise complete restraint and not politicise the issue as it was the internal matter of the judiciary.

My association with Jaitley began in 2002,

when I moved to Delhi to practice in the Supreme Court. My father, Virendra Bhatia, who was the then advocate general of Uttar Pradesh, had asked me to meet him and seek his professional guidance. I visited his chamber and introduced myself to him. He had a very strong positive aura and I was awestruck with his legal and political knowledge.

He had an exceptional quality of remembering and referring to you by name. His study table had the latest volumes of Supreme Court journals and latest edition of all magazines, neatly flagged and marked showing the level of reading and research he did to keep himself abreast with all the latest developments. I never thought at that point of time that he will be the one to ensure my induction in the BJP and mentor me in the years to come.

After the change of government at the Centre in 2004, Jaitley always made it a point to visit the Supreme Court canteen after his daily list of cases was over. He loved interacting with lawyers over tea. The impromptu meetings in the canteen were filled with humor and thought-provoking discussions.

He was a regular blogger. For the BJP spokespersons, his blogs were like the Bhagavad Gita; they provided the most effective referral points to understand the stand of the party and intricacies of complex political, social and legal issues. In his wide ranging blogs, he recognised the spirit of co-

operative federalism during the implementation of GST. A three-part blog on Emergency is a must read for all, where he highlighted the horrors of Emergency, having been imprisoned for almost 19 months. His lucid blog on how triple talaq affects the fundamental rights of Muslim women is an example of his understanding of complex constitutional and social issues. His last blog on the abrogation of Articles 370 and 35A, brilliantly sums up the reasons behind the historic decision taken by the leadership of Narendra Modi and Amit Shah.

In spite of his fading health before the 2019 general election, he did not lose his cheerful disposition. He remained a political compass for the BJP and was instrumental in conducting the morning meetings with party spokespersons. He would give an opportunity to everyone in the room to voice their opinion on various subjects. He would patiently yet keenly listen to each of the proposition made. It was due to his exemplary guidance and understanding of the political scenario that the BJP returned to power.

Jaitley was a political and legal giant. He was a man of principles. He lived with dignity, fought for dignity and passed away with dignity. He leaves behind a legacy difficult to surpass. We will miss you always, Sir.

The writer is national spokesperson, BJP

## LETTERS TO THE EDITOR

### REFORMS NEEDED

THIS REFERS TO the editorial, 'Opening the door' (IE, August 30). It is good that the government has finally woken up to the need for measures to attract FDI in certain sectors. Yes, the country may have lost to Vietnam or other countries where companies have shifted their production base from China. Nevertheless, India can still attract a fair share of business from foreign companies. That will not only give a significant boost to our economy but will provide the much needed push to employment.

Bal Govind, Noida

### CONTEXT MATTERS

THIS REFERS TO the article, 'An unfair comparison' (IE, August 30). It seems that the author has missed the context in which comparison between Emergency and the abrogation of Article 370 is being made. According to the article, 900 opposition leaders were arrested for dissent during the Emergency. At present, many are under house arrest in Kashmir. The Emergency was proclaimed without the consent of cabinet ministers. Similarly, Article 370 was revoked without the concurrence of the state legislature. The author talks about the rights of women in Kashmir. His concern for gender equality is well appreciated. But the women's reservation bill has been pending in Parliament for more than 10 years. It could well be that the abrogation of Article 370 will bring development to Kashmir. But there were more democratic means for that purpose.

Amit Singh, Delhi

### LETTER OF THE WEEK

#### LAST CHANCE

THIS REFERS TO the article, 'The last window' (IE, August 27). India must, in order to keep up with the global phenomenon of climate change, shift its focus to deal with the rising global temperatures. One of the alarming effects of global warming is rising water levels which will, in the long term, result in the loss of land. This poses a major threat for all coastal cities and will trigger massive migration. India has a large coastline and it is in India's interest to take steps toward sustainable development to mitigate the effects of climate change.

Stuti Srivastava via e-mail

### UNFAIR TO SENIORS

THIS REFERS TO the report, 'BCCI names a largely unchanged squad for the T20 home series against South Africa' (IE, August 30). Resting Jasprit Bumrah is understandable. But why has M S Dhoni, always a match winner, failed to find a place in the team? Rishabh Pant has been retained despite his failure in the West Indies. Omitting Dhoni to accommodate Pant is not correct. Seniors must be given their due. Hope the BCCI is not forcing stalwarts to quit the game.

TSB Chander, Chennai