



WHAT IS LOVE OF ONE'S COUNTRY; IS IT HATE OF ONE'S UNCOUNTRY? THEN IT'S NOT A GOOD THING.  
—URSULA K LE GUIN

## The Indian EXPRESS

FOUNDED BY  
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

# Whatever it takes

Together with stimulus package, repo rate cuts signal a resolve to revive investor, consumer sentiment



SAUGATA BHATTACHARYA

## A CUT IN TIME

RBI signals further support to revive growth. On its part, government should stick to fiscal deficit target

ON FRIDAY, THE Monetary Policy Committee cut the benchmark repo rate by 25 basis points, as high frequency indicators point to continued weakness in economic activity. Since February this year, the MPC has cut interest rates by 135 bps. The central bank also lowered its growth forecast to 6.1 per cent, down from its previous estimate of 6.9 per cent, suggesting that the slowdown is more severe than was previously believed. It has also decided to stick to its accommodative stance till "as long as necessary to revive growth", which signals further rate cuts if growth disappoints, especially as inflation is likely to remain well within its comfort zone.

That the MPC was going to cut rates was a foregone conclusion. The disagreement was over the quantum of the cut — one MPC member voted for a larger cut. A cut of this magnitude is at odds with the sharp downward revision in its growth forecast. That demand remains subdued, capacity utilisation has dropped, credit offtake remains sluggish, and capital goods imports continue to contract, raises the question: If the growth forecast was revised downwards to this extent, surely there is a case for a much larger rate cut? Uncertainty around the effects of the recent stimulus measures may have played a role. It is also possible that the MPC is waiting to see how banks adapt to the new external benchmarking system, and how effectively they transmit these rate cuts to the larger economy, before easing further. The RBI acknowledges that transmission has been a problem so far. While the repo rate was cut by 110 bps between February and August, the lending rate on fresh loans declined by only 29 bps. Part of the problem can be traced to the continuing high interest rate differential between bank deposits and small saving instruments. This exists because the rates announced by the government on small savings are higher than those arrived at by the formula which reflects market realities. This differential restricts banks' ability to cut term deposit rates and, as a consequence, lending rates. As the efficacy of monetary policy depends on transmission, the government should align interest rates on small savings with market rates.

The combination of low growth and low inflation shifts the balance towards further easing. But what is the terminal rate? Going by the RBI's commentary in the past, a neutral stance implies a real interest rate of around 1.25 to 1.5 per cent. But an accommodative stance could imply even lower interest rates, opening up space for more aggressive cuts than what are currently being priced in. On its part, the government should stick to the fiscal deficit target. A shortfall in revenue, unless compensated by deep expenditure cuts, translates to higher borrowings, which impedes transmission of these cuts. The government should pursue a more aggressive disinvestment programme to offset the expected shortfall in tax collections.

THE MONETARY POLICY Committee (MPC) cut the repo rate again, the fifth time since February 2019 by 0.25 percentage points, based on the views of the MPC members on current and projected economic conditions. The MPC action was in line with the series of cuts by almost all major central banks across the globe, as counter-cyclical policy responses to the global slowdown. The MPC voted unanimously on the cut, with one member recommending a deeper cut. The accommodative policy stance was retained, signalling a strong resolve to support the revival of growth, evocative of the ECB President Mario Draghi's memorable 2012 commitment to do "whatever it takes to preserve the euro".

The reason for this strong signal showed up in the steep reduction in RBI's FY20 GDP growth projection, from 6.9 per cent in August down to 6.1 per cent. High frequency indicators of economic activity remain weak, with a flat core infrastructure index growth, continuing weak automobile sales and a sharply lower services sector purchasing managers index (PMI) showing a deep contraction in September. Rural demand, propped by sales of two-wheelers and tractors, contracted. Of greater concern is the fact that RBI's forward looking surveys show an expected drop in capacity utilisation of manufacturing firms in Q2 FY20. The Business Assessment Index also fell in Q2.

The strong signal on accommodation, however, is qualified with "inflation remain[ing] within the [2-6 per cent] target". Despite some risks, this is a probable outcome; RBI largely retained its earlier growth forecast of October-March FY20 inflation at 3.5-3.7 per cent, taking the full FY20 average to approximately 3.5 per cent. This is significantly lower than the 4 per cent mid-point and provides adequate buffers for even unexpected food, oil and other price shocks.

With this kind of growth-inflation trade-off, why might the MPC have limited the repo rate cut to 0.25 percentage points rather than easing it further? The first, of course, would have been a degree of uncertainty on both the effects of the fiscal stimulus measures already announced — particularly the bold and decisive corporate tax rate cuts, and in various stages of implementation — as well as the additional measures which might be needed. While the budget targets are likely to be met

in the base case, there are likely to be compositional changes in expenditures and borrowings, the effects of which need to be better understood. Global financial market volatility, trade-related uncertainty, geo-political disruptions to global supply chains would only add to domestic policy responses. And India's policy rate cuts, now at a cumulative 1.35 percentage points, are one of the deepest of the major central banks.

Second, current household inflation expectations over a three-month and one-year ahead horizons have risen 0.40 and 0.20 percentage points, likely reflecting an adaptive response to the recent hardening of prices of some vegetables. For central banks, inflation expectations are a key input into monetary policy formulation, since hardening expectations usually translate into wage negotiations, which change inflation dynamics. However, such a risk in India's current economic conditions is quite low.

The third potential reason might be the path of lending rates over the next couple of months, with the switch of interest rates on new retail and MSME loans from the erstwhile MCLR system to one that is repo-rate linked. This brings us to the immediate concern, a drop in bank credit growth, and more broadly, a sharp contraction in the flow of funds from all financial intermediaries — one of the key reasons for the expected continuing weak growth in FY20. Bank credit growth slowed from an average of 14.2 per cent yoy during Q4 FY19 to 10.3 per cent by mid-September 2019, reflecting "weak demand and risk aversion". Total funding from domestic and foreign sources has shrunk precipitously to Rs 91,000 crore during April-mid-September 2019 from Rs 7.36 lakh crore in the same period last year. Commercial paper issuance (short-term working capital type borrowings) shrank to Rs 19,000 crore (from Rs 2.53 lakh crore in the same quarter the year before). Credit from NBFCs dropped during April-June, contracting by Rs 1.25 lakh crore, down from a net disbursement of Rs 41,000 crore in the same quarter of 2018. The only channel of stronger funds flows was via foreign currency borrowings, but this was small relative to the overall shrinkage of credit.

What should be next in the policy response? The government, RBI and other agencies have already announced a coordi-

nated set of counter-cyclical stimulus measures to revive consumption, investment and growth. The government is expediting the implementation of the multiple measures it has announced. Moral suasion will probably induce some project capex, particularly by public sector enterprises. Upfront recapitalisation payments to public sector banks might gradually fill loan pipelines, hopefully to MSMEs, which will be critical for the recovery.

The efficacy of these measures over the near to medium term will be determined by the nature of the slowdown. RBI analytics suggest that the slowdown is largely cyclical, and in macroeconomic terms, this is probably correct. However, many sectors have large structural components contributing to slowing growth, including changing consumer preferences, wage growth and income uncertainty. In the near term, lending institutions have become relatively risk averse, and a degree of appropriate risk re-allocation will need to be initiated by the government and regulators. Various credit enhancement and guarantee funds, which are being institutionalised, will help in mitigating some of this.

In the meantime, a combination of relatively easy systemic liquidity and a shift of some loan products to market benchmarks will begin to lower borrowing costs. To support credit flows to sectors which are particularly constrained for funds, the RBI has relaxed some micro-prudential restrictions to cautiously incentivise credit and fund flows to solvent but liquidity constrained financial intermediaries and sectors.

The economic revival process is likely to be gradual and weak at first. In fact, although volume indicators still show weak activity, GDP growth is likely to be 5.5-5.7 per cent in Q2 FY20 (July-September) range — better than the Q1 growth. This is likely to be driven largely by an improved manufacturing GDP, (0.6 per cent in Q1), reinforced by higher government spending. Strong policy communication will be an important instrument in reinforcing investor and consumer confidence.

Going back to the ECB President's 2012 commitment, "And believe me, it will be enough".

The writer is vice president, business and economic research, Axis Bank. Views are personal

## JOURNEY TO KARTARPUR

Former PM Manmohan Singh's participation in the pilgrimage is a reminder of the vision behind the corridor

IT IS FITTING that former Prime Minister Manmohan Singh will be part of the first jatha or group of pilgrims led by Punjab Chief Minister Amarinder Singh to Gurdwara Darbar Sahib at Kartarpur through the new India-Pakistan visa-free corridor. As head of government, from 2004 to 2014, Singh had built on the previous Vajpayee government's efforts to arrive at a modus vivendi with Pakistan. His famous "breakfast in Amritsar, lunch in Lahore, dinner in Kabul" formulation provided a vision that was at once progressive as well as deeply-rooted in the history and shared cultures of the region. Circumstances, including the 2008 Mumbai terrorist attack that originated in Pakistan and was carried out by the Lashkar-e-Toiba, intervened to ensure that it would remain a vision too far. But the Kartarpur corridor is a step in that direction, even if neither India nor Pakistan acknowledge it as such anymore. It recognises that with political will, two nations can find common cause around a line on a map, though each may have its own reasons for doing so. That neither side called off work on the corridor through nine months of an outrightly hostile atmosphere, starting with Pulwama, right up to the face-off at the UN last month, speaks of the interests involved — Pakistan is wooing Sikhs; India does not want to alienate them. But it is not unlike the pragmatism that shaped Manmohan Singh's belief that it was in the interests of both peoples for India and Pakistan to find ways to live together.

Amarinder Singh has sought to clarify that he and Manmohan Singh would only go to the Darbar Sahib shrine, "not to Pakistan", and underlined that the former PM will be going on the pilgrimage at his invitation, not on the invitation of Pakistan. Yet it is undeniable that the Kartarpur corridor would not have taken shape without Pakistan's active co-operation. Indeed, it was Pakistan that initiated the plan last year. Now, having gone this far, India must show the large-heartedness to participate in the official opening of the corridor organised by the government of Pakistan.

It is as yet unclear who other than the former PM and the Punjab CM is part of the first jatha. Ideally, considering the political will that the Modi government extended to the corridor plan through the year, it should include representatives of the Akali Dal and BJP. That will also ensure that a visit to Darbar Sahib by members of one party does not get projected as a crime against the nation.



KHALED AHMED

## WHAT PAKISTAN WON, AND LOST

Could Pakistan have stayed out of US-led global campaign after 9/11?

IMRAN KHAN, DURING his September visit to America, said: "Pakistan, by joining the US after 9/11, committed one of the biggest blunders. 70,000 Pakistanis died in this. Some economists say we lost \$150 billion, some say \$200 billion. On top of it, we were blamed by the US for not winning in Afghanistan." He was replying to former US Secretary of Defence James Mattis's statement that Pakistan was the most dangerous country in the world. Khan said, "They (the insurgent groups) were indoctrinated into fighting foreign occupation [by the Soviet Union] as jihad. But now when the US arrived in Afghanistan, it was supposed to be terrorism".

After the Soviet invasion, America thought it could end the rule of the Communist Party in the USSR by cornering the Soviet army in Afghanistan. Muslim "warriors" arrived from all over the Islamic world, funded by the US and Saudi Arabia jointly. And Pakistan was dishing out hospitality and raking in "assistance" for its wobbly economy then.

Prime Minister Khan said he was opposed to Pakistan joining the international war in Afghanistan "from day one". Yet for General Musharraf, who ruled Pakistan, the Soviets were from "the other side" — against America and its allies, including Pakistan. For him, the Soviet invasion meant entry of India nextdoor as part of its "encirclement" strategy. Pakistan had tasted its last defeat at the hands of India in 1971.

Pakistan was bothered by the Moscow-supported Kabul government that leaned on

India to complete the "strategic nuclear" that would make Pakistan forget Kashmir. The Durand Line was challenged and propaganda unleashed to indoctrinate "unhappy" Pakistani elements in Balochistan and the Tribal Areas. The warriors arriving in Pakistan carried an Islamic consensus of jihad against the "godless" Soviet Union. There was no way an "Islamic" Pakistan could avoid joining the American war against the Soviet Union.

On September 11 2001, the "Islamic warriors", headed by Osama bin Laden, thought they could also liberate the world from American hegemony that raised Israel above the entire Islamic world through wars the Arabs kept losing. The plot to attack New York was conceived in Karachi by al Qaeda's Khalid Sheikh Muhammad; and the 19 warriors chosen were made to meet bin Laden for which they had to travel through Pakistan. But al Qaeda was not only foreign warriors in the long run; a majority of them were finally Afghans and Pakhtuns, many trained by the ISI's Colonel Imam inside Afghanistan. He was killed by Pakistani Taliban in 2010.

Pakistan could not have wanted it but it was the "host" country where the "warriors" serving America had made their headquarters. Pakistan should have stayed out of what happened after 9/11. But could it really?

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of the UN charter. General Musharraf knew what a Chapter 7 resolution meant; it was not like the Security Council resolution on Kashmir that was merely "advisory" because it was under Chapter 6. Had Imran Khan been in power, he couldn't have defied it. However, there was another "unavoidable" reason.

For an Islamic, worry-beads-in-hand, Imran Khan, the Islamisation of Pakistan would have been irresistible. Pakistan's jihad was inspired by the founder of al Qaeda, Abdullah Azzam (d. 1989), who also established the Islamic University of Islamabad and brought the concept of "terrorist" jihad into the heart of the Pakistani state.

Sectarianism also came with jihad. Shia leader Allama Arif Hussaini was murdered in August 1988. Within a fortnight of Hussaini's murder, President Zia died in an air crash in Bahawalpur amid rumours of Shia involvement in his assassination. The NWFP governor, General Fazle Haq, whom the Shia accused of complicity in the murder of Allama Hussaini, was ambushed and killed in 1991.

Sectarianism affected relations with Iran. In 1998, Pakistan's anti-Shia Sipah-e-Sahaba, riding together with Taliban, killed eight Iranian "diplomats" inside the Iranian consulate. That brought Iran and India closer; and once again India was threatening Pakistan on the western border.

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## NBA@INDIA

Jersey sales might multiply briefly. It'll take longer for the ethos to take root

TWO TOP NBA teams, Sacramento Kings and Indiana Pacers, will give India its first glimpse of what basketball in the world's greatest league looks like. For NBA's niche followers who wake up at 6 am and look forward to the All Stars, wear loose branded vests of No 23 and baggy long shorts, swearing by LeBron James, this is as close as they'll get to the American jamboree. The truly commercial NBA's detour to India's financial capital, Mumbai, was expected. But this move might not be a game-changer for the sport in a country where basketball has thrived in several pockets for years.

The quality of play in the league that attracts the best global talent has always seemed to belong to another galaxy. Indian hoopsters, trained from Russian manuals, are at least 40 years behind the NBA's latest acrobatics. The delayed pre-dawn "live" coverage didn't help matters. But the NBA has finally taken the big jump — though a real connect might still take years, beyond the razzmatazz of the two-day Kings-Pacers show.

Several NBA players, not the biggest names, though, have made the "India trip" in the last few off-season autumns. A few outdoor courts have been slapped with a fresh coat of bright paint, and NBA's Academy in Gurgaon is scouting, using the most obvious Plan Of Action — find tall, groom tall. They even pushed for the exceptionally tall boy from a Punjab village, Satnam Singh, to make headlines with his brush with the Dallas Mavericks. But, one suspects that India will need wooing that goes beyond a desi token representative in the league. A strong national team doing well in Asia (like Iran, if not China) might evoke interest beyond the casual media blitz associated with the NBA jamboree spending a weekend here. Jersey sales might multiply briefly. But it'll take a long time for NBA's ethos to take root.



## OCTOBER 5, 1979, FORTY YEARS AGO

ECONOMIC OFFENDERS AN ORDINANCE FOR the preventive detention of economic offenders was sent to the President for his consent and promulgation, Prime Minister Charan Singh said in Lucknow. Singh told newsmen that every care had been taken in the ordinance to prevent its misuse and the Department of Food and Civil Supplies would administer it in the states. He said that the Essential Commodities Act was not effective for the present situation. The period of detention, according to the provisions of the ordinance, would be one year and a three-member board of review would be constituted, with a serving high court judge as chairman. The

board, to be constituted by the chief justices of high courts, will have as other members district judges or those competent or qualified to become a judge, or retired judges.

CODE OF CONDUCT THE ELECTION COMMISSION has asked political parties in power at the Centre and in the states not to issue advertisements at the cost of the public exchequer to further its interests in the ensuing elections. The ruling parties have also been advised by the EC not to use government vehicles and other facilities or, for that matter, to take any official measures to further the ruling party's prospects in the forthcoming mid-term poll.

BHUTTO NOMINATION SEVEN NOMINATION PETITIONS for national elections in November have been rejected by the Election Commission, a Pakistani news agency report said today. Among those rejected was one from Benazir Bhutto, daughter of the late prime minister, Z A Bhutto, the Associated Press of Pakistan said. The commission also rejected nomination petitions filed by leaders of the Pakistan People's party including the deputy secretary general, Mohammad Tikka Khan, the news agency said. It said that Bhutto's petition and others were rejected because the PPP did not register with the EC as required by a recently enacted law.

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## WHAT THE OTHERS SAY

"Standing by China, our lives will be based on a solid platform. Our wish for a better life is sacred, our efforts will be more respected in globalization, and we will benefit from our country's strong development." —GLOBAL TIMES, CHINA

## Revisiting Howdy, Modi

For Modi, Houston guaranteed a huge turnout of Indian Americans. Trump may need the community to win Texas in 2020



ASHUTOSH VARSHNEY

THAT PRIME MINISTER Narendra Modi's rally in Houston, Texas, was a grand spectacle is beyond doubt. But grandeur aside, there are some questions that require fuller answers.

The first question is: Why Houston? Beyond New York, the larger San Francisco area (including Silicon Valley) and Chicago, Houston, along with Dallas, has among the largest communities of Indian Americans. Modi has already held rallies in New York and San Francisco. Houston or Chicago were the logical next sites.

A significantly more important question is: Why did President Donald Trump participate? It is, of course, not entirely unusual for foreign leaders to stage diaspora rallies. Trump's anti-immigrant rhetoric notwithstanding, the US is a country of immigrants. Diasporas in the US, especially Irish, Mexican and Jewish, have been mobilised by visiting dignitaries. But the presence of a US president in, and his address to, a diasporic rally is certainly rare, if not a first-time occurrence.

What could Trump's motivation be? A penchant for spectacle, any spectacle, is his barely disguised trait. It is not uncommon for him, even as President, to be seen in the company of sports, music, film and television stars, nor is the idea of repeatedly locking horns with them, especially on Twitter, ever too far from the presidential attention. He is irresistibly drawn to that which is spectacular, magnificent or gorgeous.

But this explanation won't do. As Devesh Kapur, professor at Johns Hopkins University and an authority on the subject, tells us, Indian Americans are only one per cent of the US population. And they are roughly the same proportion of the electorate, too. It is also estimated that roughly 75 per cent of Indian Americans vote for the Democratic party. Even if a substantial proportion of them rushed towards the Republican camp in 2020, it would still not be a large enough clientele for a US president, seeking re-election, to qualify as a great spectacle. The overall numbers are meagre.

But electoral demography is never simply about aggregate statistics. It is also about how those numbers are geographically distributed, and what that distribution politically means. The US presidential election is not decided by popular vote. In 2016, Trump was over three million votes behind Hillary Clinton, and in 2000, George W Bush over half a million votes behind Al Gore. US presidents are chosen on the basis of an electoral college, which does not have a one-to-one relationship with the population. The college has 538 electors/votes, of which 270 must be won. In 2020, six of the largest states in the electoral college will be: California (55), Texas (38), New York (29), Florida (29), Illinois (20), Pennsylvania (20). Of these six, three — California, New York and Illinois — have been consistently democratic in recent years. Trump carried Texas, Florida and Pennsylvania in 2016, and needs

to carry them again.

This leads to questions about the state-level significance of the Houston rally. Winning Texas, the second-largest state in the electoral college, is critical to Trump's 2020 chances, especially as it is unclear which way Florida and Pennsylvania might go. In contrast, California and New York are expected to remain firmly Democratic. If Republicans lose Texas, smaller states may not be able to make up the loss.

Texas, which has been solidly Republican for long and never elected a Democratic presidential candidate since Jimmy Carter in 1976, has of late been displaying signs of turning "purple", somewhere between "red" (Republican) and "blue" (Democratic). Obama lost Texas by 16 percentage points in 2012, but Clinton in 2016 narrowed the Republican victory to nine per cent. The results of the 2018 mid-term elections further hinted that a new trend might be emerging. The Senate race was won by Ted Cruz, an incumbent Republican who also spoke at the Modi rally, by a narrow margin. Besides, Democrats flipped two Texas seats in the US House of Representatives, 18 seats in the state House and two seats in the state Senate.

Why is this happening and how might Indian Americans fit into the emerging political calculus? In 2000, Whites constituted 53 per cent of the state, and people of colour 47 per cent. By now, these proportions have dramatically changed, as Whites have become a minority. In 2018, the population of Texas was 28.7 million. Whites were 41.5 per cent of the total, Hispanics were only slightly behind at 39.7 per cent, blacks 11.8 per cent and Asians 4.8 per cent. People of colour thus formed 58.5 per cent of the state.

It is also known that people of colour have predominantly leaned towards the Democratic party and Whites largely towards the Republicans. Statistical analysis by Juan Carlos Huerta, a Texas politics expert, shows that in 2017, among people of colour, 68 per cent identified with Democrats, a share that has been roughly stable since 2009, whereas not more than a third of Whites had Democratic leanings in 2009 and 2013. This started changing by 2017, as younger White support for Democrats increased. Generally speaking, and certainly in recent years, compared to older Whites, younger White vote for Democratic party has tended to be higher.

Thus, because the non-White population has grown rapidly and the new White migration into Texas has principally been of the younger cohorts, Republicans are beginning to look vulnerable in a state that they took for granted. Indian Americans are perhaps not more than 4,00,000 in number, but if Texas becomes a "swing" or "battleground" state, ready for a political flip, even such small numbers might ultimately matter.

In sum, Modi chose Houston because a huge Indian American participation was guaranteed. And Trump participated because Indian Americans might heavily matter in the state of Texas in 2020.

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CR Sasikumar

# Nationalism without Other

For Gandhi, nationalism was based on a practical understanding of what was required for the people to be free



PRABHAT PATNAIK

I FIND GANDHI'S thought in at least three areas of abiding relevance for me: His views on nationalism, on capitalism and on solidarity.

The nationalism that Gandhi stood for, which informed India's anti-colonial struggle, differed fundamentally from the nationalism that came into vogue in Europe in the 17th century, following the Westphalian peace treaties. At least three differences stood out. First, Gandhi's nationalism was inclusive; there were no "enemies within" as with European nationalism. Second, it did not see the nation as standing above the people, an entity for which the people only made sacrifices; rather, the *raison d'être* of the nation was to improve the living conditions of the people, or to "wipe away the tears from the eyes of every Indian". Third, unlike European nationalism, it was not imperialist itself; the people whom the nation was to serve treated other people with "fairness", which is why Gandhi wanted India to give Pakistan the Rs 55 crore that were its due after Partition, despite the bitterness caused by Partition.

This nationalism was not a mere idealist construct, it was based instead on a very practical understanding of what was required for the people's freedom. If the people were to be free then that required the formation of such a nation.

Gandhi was also clear that capitalism as we know it, for which he used the term "the English system", could not serve such a nation. It was incompatible with the people's freedom. He wanted a different economic system altogether, where the capitalists could at best be the "trustees" of people's property.

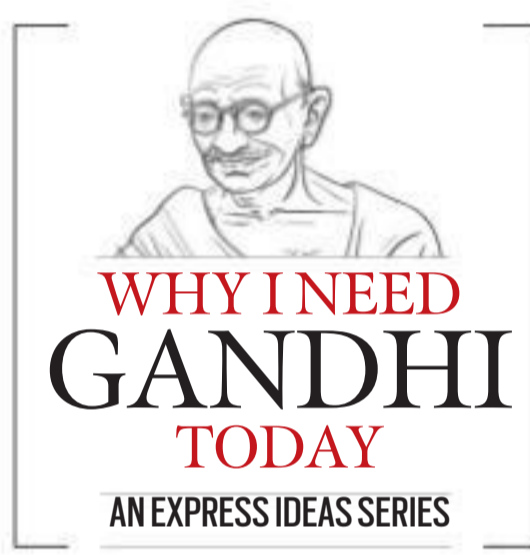
He was not a socialist but, in common with the socialists, he believed that capitalism could never solve the problem of unemployment, and the mental dullness it pro-

duced. Since he saw poverty as inextricably linked to unemployment, capitalism could also never overcome poverty. What we call "development", whose essence must be the overcoming of unemployment and poverty, was incompatible, therefore, with the institution of capitalism.

Gandhi's views on the relationship between capitalism and unemployment, and hence poverty, were deeply insightful.

It is commonly believed that even though capitalism initially destroys petty production, the displaced petty producers ultimately get absorbed within the growing capitalist sector, and that too at a higher wage than they earned earlier. This is neither theoretically valid nor historically borne out. The fact that European capitalism was not saddled with massive unemployment arising from the displacement of petty producers, was not because capitalist growth absorbed all those who had been displaced, but because of massive emigration to the temperate regions of White settlement, such as Canada, the United States, Australia, and New Zealand where they drove out local inhabitants from their land and set themselves up as farmers. It is neither possible nor desirable to repeat this historical experience today, so that Gandhi's rejection of capitalism acquires pertinence.

Gandhi's rejection of the capitalist mode of production as exemplified by Europe, his rejection of European-style nationalism, and his linking of the two, was also a product of deep insight. It is not surprising that our embrace of unbridled capitalism in the neoliberal era, which predictably has brought in its train growing unemployment and absolute poverty, manifest in massive under-nutrition, has led to a denouement where the prevailing concept of nationalism has undergone a fundamental change. The inclusive, people-centred and non-aggrandising nationalism that characterised our anti-colonial struggle has given way to the old European-style "nationalism" that sees "enemies within" (indeed everyone opposed to the government is considered nowadays an "enemy within"), that sees the nation as standing above the people, and that rides roughshod over the people, trampling upon their rights as in



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Jammu and Kashmir today. The fact that the same government which unblushingly equates capitalists with "wealth creators" and which considers massive corporate tax concessions as a "win-win" situation for 125 crore people, also imposes an indefinite curfew on the people of Jammu and Kashmir, is not an accident. This route, however, leads to a perpetuation of unemployment, poverty, strife, and a break-up of the nation. And Gandhi saw this more clearly than almost anyone else.

Gandhi's solution to the problem of unemployment was a restraint on the rate of technological change, which of course was impossible under capitalism in its spontaneity. But Gandhi did not advocate state-imposed restrictions towards this end. He wanted instead a voluntary eschewing of consumerism that always privileges technologically-sophisticated goods. He wanted the development of a "community" among the people where one foregoes the "fineries of Bond Street" so that one's "brother" the weaver can get employment, a "community" where every person sees his or her well-being as dependent upon that of others.

The need for restraining the pace of technological change for achieving full employment is undeniable — the only countries which have achieved full employment, indeed labour shortage, in recent times, are the erstwhile socialist countries which restrained technological change and kept labour productivity growth in check.

Gandhi wanted such restraint to be voluntary, embedded in a sense of solidarity with one's "brethren". Gandhi's emphasis on solidarity, on overcoming self-centred isolation, an emphasis reminiscent of Karl Marx's stress on overcoming alienation through the formation of working class solidarity that would ultimately lead to a transcendence of capitalism, was crucial for his concept of human freedom. While their visions and analyses differed, Gandhi and Marx had this concept of freedom in common, as the development of a sense of community, which capitalism destroys.

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SAIFUDDIN SOZ

## A formidable friend

Ram Jethmalani felt political one-upmanship stalled resolution of Kashmir issue

RAM JETHMALANI'S DEMISE has been mourned very widely as his circle of friends was vast and varied. Jethmalani lived a full life with all the best the system was able to offer him. His death has caused a void that can never be filled. An eminent lawyer and an authority on India's criminal justice system, Jethmalani will be remembered by a wide group of people in India and Pakistan.

Jethmalani had settled in India for good after his migration from Sindh (Pakistan) and he was a thorough Hindustani. But then, he had assiduously nourished relationships all over the subcontinent including Pakistan. He was always welcome there, not only in Sindh but everywhere in Pakistan. There were occasions when he invited friends to join the celebrations often around his birthday parties. He was always cheerful and at his best. On occasions, he recited verses, particularly by Faiz. He knew quite a lot on Iqbal's poetry. He could, if he had chosen to write, done a comprehensive critique on the subject. He re-

membered many verses of Iqbal's Shikwa and Jawabi Shikwa, too. Once he had surprised many Indian and Pakistani guests who had assembled in good numbers to celebrate his birthday at his Krishna Menon Marg residence: He interspersed his conversations with verses not only of Iqbal and Faiz, but of many others such as Ahmad Nadeem Qasimi, Ahmad Faraz, Parveen Shakir, Bashir Badar and others. Jethmalani was an exceptional human being and a great friend — he could go to any lengths to maintain friendships.

Once I went to him with a personal problem: The Union minister for urban development, Buta Singh, wanted me to quit my Humayun Road residence and settle for a residence at South Avenue. It was a question of entitlement for a residence. My plea was that the same residence was being used by a businessman earlier, and after my election to the Lok Sabha, I was genuinely entitled to the residence. Jethmalani directly took up the matter with the then President of India.

When he was 94, and he thought any more of his appearances in the Supreme Court would not be to his liking as he thought the court's decorum could be impaired, he flabbergasted the judges by saying "adieu!" Until then the lordships had been earnestly requesting him to argue cases while sitting in the chair. He had emphasised that he would stand on his feet and argue the cases that day until his last breath. And that is what he did.

Sometime in 2016, when I visited his home, he broke the sad news to me that he would not be able to play his favourite game, tennis. He was 93 then.

Ram had many pursuits in life. One of them was his interest in Kashmir. He was sad that his pursuit of the resolution of the Kashmir problem remained unfulfilled because of political one-upmanship, which spoils the atmosphere in India. Ram had a considerable knowledge of Kashmir's history, and more importantly, of the development of the constitutional relationship be-

tween the state and India.

When Khurshid Mahmud Kasuri, Mani Shankar Aiyar, OP Shah and myself attended a meeting with Ram on April 17, 2017, he had explained to us in detail that Pervez Musharraf's four-point formula was best suited to forge a friendship between India and Pakistan.

He had surprised us by narrating a story. He had gone to visit Atal Bihari Vajpayee soon after the Agra Summit and told him that he (Ram) would not even have changed a comma of what Musharraf had proposed for an abiding friendship between India and Pakistan. Why, then, had Vajpayee not moved to take the final step? Ram told us that Vajpayee chose to remain silent. But, then, Ram explained that Vajpayee's real difficulty was the party not getting along with him on what Musharraf had proposed!

The writer is a senior Congress leader and former Union minister

## LETTERS TO THE EDITOR

### MISREADING GANDHI

THIS REFERS TO the article, 'Reading Gandhi in Catalonia' (IE, October 2). Indian citizens have ample reasons to be proud of Gandhi. His life and unwavering commitment to mutual respect is an example that inspires mankind. Unsurprisingly, Indians honour the immense legacy that Gandhi bequeathed to them. Not so Ramin Jahanbegloo, the writer of the article. In his eagerness to make Gandhi's influence even greater than it is, he belittles Gandhi and India. He overlooks both the democratic credentials of Spain and the bigoted overtones of the secessionist movement in Catalonia. He then deceives himself in drawing parallels between Gandhi and fictional powerless Catalans who wage a noble political battle against an immoral power. Ironically Jahanbegloo's make-believe Catalans do actually exist. They are the majority of Catalans who, as they endure the relentless harassment of independent leaders and their henchmen, give us all praiseworthy proof of their moral strength and their unflinching commitment to non-violence.

José Ramón Barañano, Ambassador of Spain in India

### NO WATER VISION

THIS REFERS TO the editorial, 'Writ in water' (IE, October 3). The recent rav-

### LETTER OF THE WEEK

RIGHTS OF ACCUSED  
THIS REFERS TO the editorial, 'Exorcising third-degree' (IE, September 27). We need an anti-torture law to prevent atrocities committed by police during the course of investigation. But it is equally important to train the local police station personnel on scientific ways to extract information from the accused. SIOs should be made accountable for the health of the accused. This would discourage them to take recourse to violence. Remember, the right to not be tortured is a part of the constitutional right to life.

Shishir Singh, Prayagraj

ages of floods has been ascribed to the extended monsoon. There is, however, more to the matter. Year after year, people suffer because of the lack of vision of administrators and planners. The lethargy in cleaning clogged drainage systems and the state of water bodies like local ponds is a cause of concern.

Ranbir Singh Jakher, Gurgaon