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JANUARY 2020

5G

**Why We Should Exclude
Huawei in Rolling out 5G**



Swadeshi Activities

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Pictorial Glimpses



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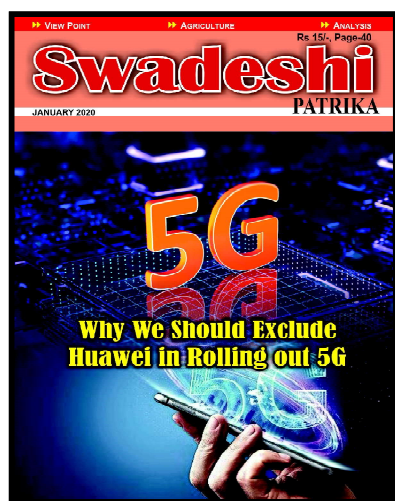
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Changing (Damaging) Landscape of Market

Dear Editor,

The manufacturer comes up with a product and creates awareness about its product to gain customer, realize sales and make business sustainable as well as profitable. The other scenario is that the customer demands the product from the manufacturer and the manufacturer fulfills the customized demand in best possible way. Both the ways are sensible and acceptable, and various permutations and combinations of such understandings are possible. In the whole process, the mediator is dependent on manufacturer or on end user customer in the transaction of product.

The bargaining power of manufacturer is high vis-a-vis wholesaler. The bargaining power of end user customer is also high vis-a-vis retailer. But the landscape of market or mandi or bazaar has changed. Now the most powerful stakeholder is the logistics provider. Now the logistics supplier decides or tries its best to influence what the manufacturer will make and what the end user customer will consume. These logistics supplier has various links i.e. it is made up of many stakeholders; for example- warehouse owner can be one, transport owner can be other and so on.

Logistics supplier are in the form of online selling platform, or in the form of transportation or in the form of display space in a retail shop. Ideally the logistics provider should not have any say in production or consumption. In the emerging market of online buying, the online platform owners are doing backward as well as forward integration. They are owning warehouses and servings as a courier company as well. A policy needs to be framed which discourages backward and forward integration of logistics supplier to temper with the production and consumption liberty of manufacturer and the end user.

— Alok Singh, Delhi

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Quote-Unquote



People should not get into destruction or obstruction. Everybody should think in terms of construction. I am not saying everybody should support the government, no need. Dissent is the essence of democracy.

M. Venkaiah Naidu, Vice President, Bharat



"can we pledge, that by 2022, when we achieve 75 years of independence we insist and remain steadfast at least, for about two-three years on buying local products?"

Narendra Modi, Prime Minister, India



We have not come just to run the government, to solve the problems of the country.

Amit Shah, Home Affairs Minister, India



We respect all Indians, including Muslims. India is home to all of them. We are willing to listen to them if there are grievances.

Ravi Shanakar Prasad, Union Minister, Bharat

GST Woes

As Goods and Service Tax (GST) collections have exceeded Rupees one lakh crores in the second straight in December 2019, it has given a sigh of relief to the government, struggling against the shortfall in GST collections in the current fiscal year. It is notable that GST collections in November 2019 were rupees 1,03,492 crores and rupees 1,03,184 crores in December 2019. When GST was first introduced in July 2017, it was expected that monthly GST collections would exceed Rupees 1 lakh crores; we find that out of 30 months, so far only in 9 months GST collections could exceed this benchmark. In December 2019 meeting of the GST Council, this monthly revenue target has been revised to Rupees 1.1 lakh crores. If we leave the year 2017-18 as a preliminary period, the total GST receipts in 2018-19 were almost near expectations (Rupees 11.77 lakh crores), total compensation amount to the States (Rupees 69,275 crores) could be funded from this cess so collected. However, we find that in the current financial year 2019-20, total GST collection is still falling short of Rupees 1 lakh crores target, and therefore, the government is under tremendous pressure to compensate the State governments for loss in their GST revenue. On 16th December 2019 the Central government has released Rupees 35,298 crores to the States as compensation for the loss of GST revenue. Investment Information and Credit Rating Agency (IICRA) has estimated that the compensation to the nine big states may go up to nearly Rupees 70,000 crores in the current financial year, which is nearly double as compared to the last year. Situation may look gloomier if we add other states also.

Subsuming various indirect taxes previously imposed by the Central and state governments, a new tax system with single tax, namely, Goods and Service Tax (GST) throughout the country was implemented by Narendra Modi government from July 1, 2017. This was considered to be a major tax reform in country. With the implementation of GST most of the indirect taxes, so far imposed by Union and the State Governments were subsumed under GST. GST so collected was agreed to be divided between the Union and State Governments equally. It is worth mentioning that as per the recommendations of the 14th Finance Commission, the states would get 42 percent of the Union taxes. Therefore, it means that 71 percent of the total GST collected would go to states, while remaining 29 percent would remain with the Union Government.

'One nation one tax' was the mantra behind GST. With different indirect taxes levied by the Union and the State governments subsumed in single tax, GST was supposed to bring in efficiency and do away with cascading effect causing additional burden on the ultimate consumer. However, introduction of GST was generally opposed by the state governments, as they felt that with introduction of GST their rights to impose indirect taxes would be curbed. State governments also feared that once GST is introduced, their revenues may get hurt in future. Therefore, the Central government undertook that the State governments would be compensated for any loss in their revenue, assuming 14 percent growth in revenue with 2015-16 as base. This means that Union government would not only share the proceeds of GST with the State governments, but also would compensate for any loss in State governments' revenues assuming 14 percent growth. To ensure that Union government does not bear the burden of compensating the State governments for the loss of GST, an additional cess was introduced on the tobacco products, proceeds of which were supposed to be used for compensating the State governments.

When GST was introduced, it was said that though we would be taxing at a lower rate, total tax revenue would increase under GST because it would end tax evasion. However, we see that though technically GST is considered to be successful, so far as revenue is concerned we don't find expected growth in the same. Therefore, Central government has to compensate the State government more and more, year after year. The expected check on tax evasion is also not happening, because tax evaders have found new ways and means to evade taxes. Tax credit is being claimed using fake bills. Some scrupulous people are claiming tax credit even on the goods purchased for their personal consumption. So far, several cases of tax credit with fake bills amounting to thousands of crores of rupees have been unearthed, while many more cases could not be caught.

It is interesting to note that in cases where composition scheme has been introduced, where tax credit is not taken and GST is collected on the total sales, such as restaurants etc., despite having much lower rate of tax, significant amount of revenue is being realised. However, much lower revenue is being collected from other businesses. This loss of revenue in GST is a cause of major concern, which has to be dealt with sternly. Any failure in solving this problem may land us to major crisis. Government has to plug the glitches in the GSTN at the earliest.

Why We Should Exclude Huawei in Rolling out 5G

5G is the fifth generation wireless technology for digital cellular networks. We understand that the mobile phones we use are backed by the technology networks. There has constantly been advancement in the technology for cellular networks. In the recent years we have seen advancement from 2G, 3G and 4G. Now the efforts are on to upgrade these networks with 5G technology.

So far in India these technologies have been provided mostly by foreign players including Huawei, Ericsson, Nokia, ZTE etc. However, significant section of India's telecom networks is controlled by Chinese companies, such as Huawei and ZTE. Unfortunate part of the whole story is that though domestic Indian companies meet world class standards and even have been outbidding Chinese competition in foreign markets, they have been denied the chance to compete in their own markets. As a result all the value creation is taking place in China while the Indian ecosystem is deprived of value-added high-tech production and good jobs.

Recently the Department of Telecom (DoT) has given in-principle approval to various players, including Chinese Huawei to conduct 5G trials in India. Though the in-principle approval might not mean that the actual contract is given to Huawei, but this is very discouraging as it is not only a big concern for national security, it is a step against domestic players. They will always be suspicious that the Chinese company managed the foot inside the door and could undercut the price to win the project. It is notable that Huawei has been banned in several countries as more and more countries realise the full implications of having Huawei and Chinese companies in their communication networks. There are ample evidence that lead to suspicion of Chinese companies indulging in the exfiltrating sensitive information from devices and equipment that it exports. Many of these



Recently the Department of Telecom (DoT) has given in-principle approval to various players, including Chinese Huawei to conduct 5G trials in India.

Dr. Ashwani Mahajan



countries suspect that the Chinese companies indulge in stealing massive amounts of military and technological secrets through cyber-hacking from various countries. We all understand that these Chinese companies are also bound by Chinese Intelligence law to share intelligence with their government. Therefore, the presence of the Chinese companies in our telecommunications networks would compromise our national security.

There is a misinformation, deliberately been floated with cohesion of some bureaucrats that India doesn't have pool of talent to provide the 5G and 6G solutions. This is not true. In fact, there are series of entrepreneurs working extensively on this. An Indian company has patented their 6G concept in the US. At this stage, these entrepreneurs need patronage of the government to accelerate their growth. This will armor India to build the infrastructure to take fruits of leap in the technology, that too without compromising security. The countries, who have grown big in the telecommunication equipment manufacturing, have always groomed their domestic players. Even Huawei took \$75 billion from the Chinese establishment.

It is notable that Chinese establishment does not allow market access to the foreign telecom companies to provide them neither the equipments nor the software. We too must push the clause of reciprocity here.

It is not that the government does not understand the dangers emanating from the 5G technology rolled out by Chinese companies. The former telecom secretary Aruna Sundararajan assured that the DOT is keeping a close eye on

these developments happening across the globe. The partnering with this Chinese major will be allowed only after ensuring that there is no compromise on the security. We as a country are yet not sure of relying on Huawei. Globally, the Chinese companies, including Huawei, are facing allegations that they 'underbid' projects, and position themselves and their establishment back home to snoop and enable them to shut remotely, if required be. The Chinese dominance in India's telecommunication sector is very damaging. It not only is creating a security threat but are also killing opportunities for our indigenous players.

Advise by security and scientific bodies

There is nothing more secure than the indigenous equipment. Recently, member of country's National Security Advisory Board, Professor Veezhinathan Kamakoti, expressed, the security vulnerabilities are inherent in any foreign electronic equipment in general, and 5G equipment in particular, which increases the risks exponentially. He recommends that security can only be guaranteed by 100 percent indigenisation. Indian companies have the capability to build a 100% secure 5G and even 6G networks and have won orders against stiff Chinese competition abroad.

K Vijay Raghavan, who is the Principal Scientific Adviser and also heads high-level committee on 5G, has said that India should "go for (5G) trials immediately with all, except China." Huawei has long been suspected of having close ties with China's ruling communist party and there are concerns that a backdoor could be placed in Hua-

wei's equipment to spy on people.

The committee for 5G trials comprises the Intelligence Bureau (IB), Ministries of External Affairs, Home, Telecom and IT and the Department of Science and Technology. As per the report, all of them have agreed on placing safeguards while dealing with Huawei.

Indian companies at disadvantage

1. Chinese companies with massive support from the Chinese government are allowed to vastly underbid Indian companies and win tenders for critical infrastructure.
2. Chinese companies are also able to evade customs duties.
3. Indian companies are not paid their dues by the Department of Telecommunications.
4. Indian bidders are also forced to adhere to specifications that are not operationally required but are met only by MNCs.

Therefore, we can conclude that Indian companies are discriminated against and do not have a market in their own country. They hardly get any support from Government while the industries of other countries get full Government support. Moreover, China has several barriers to Indian companies operating in their telecom market.

Indian companies have world-class indigenous capabilities. Despite their winning tenders abroad, even against Chinese competition, and the excellence of their products, they are struggling domestically as Government bodies bypass them in favour of lucrative contracts with Foreign Owned Electronic Manufacturers (FOEMs) and Chinese companies. Many have been acquired by foreigners

and others have folded. Their Intellectual Property Rights (IPRs) which should have been Indian owned are now located abroad.

What should we do?

The only solution is to fully indigenise India's Telecommunications Network and reserve it for Indian companies on security grounds, which cannot be challenged in the WTO. Following steps would be needed to help indigenisation of telecom sector:

1. India must recognise the full extent of the national and economic security threat posed by foreign and especially Chinese equipment in India's Information and Communication Networks (ICT).
2. Telecommunications must be declared a critical and strategic infrastructure vital to India's security, so that bans on imports cannot be challenged in the World Trade Organisation (WTO).
3. Only indigenous equipment must be procured for telecom networks and the recently released procurement guidelines of the Department for Promotion of Industry and Internal Trade must be strictly adhered to. To begin with all Government and PSU procurement must be made from indigenous manufacturers. Orders diverted from Public Sector Units (PSUs) to private telcos must be restored to PSUs on the condition they procure from domestic manufacturers.
4. Chinese imports can also be banned for Govt. procurement under clause 10d of the DPIIT policy on Make in India.
5. Conflict of interest in Govt. appointed bodies overseeing

The only solution is to fully indigenise India's telecommunications network and reserve it for Indian companies on security grounds, which cannot be challenged in the WTO.

tenders which result in awards to foreign companies after imposing unfair criteria on Indian companies must be probed, exposed and prosecuted.

6. If tenders are fixed to exclude Indian companies complaints should be lodged and the tenders cancelled.
7. A Buy Indian Act and Telecom Security Act must be adopted by India's Parliament, like the US, Australia and New Zealand's Security and Buy Domestic Acts.
8. Payments to Swadeshi telecom companies must be expedited so that they stay afloat and continue investing in R&D.
9. If India adopts 5G, it should be totally indigenous. The Cloud component of 5G Core (i.e. apps, infra, and data in cloud) must be located in India. Since India will have to pay royalties even for indigenously built 5G equipment, therefore compulsory licensing can be introduced.
10. The proceeds for 5G spectrum sale must be channelled to a Fund that would invest in R&D

for indigenous 5G /6G tech development in the Private Sector. Allocation from the Fund should also be made for the development of next-gen technologies in the Private Sector. Full support for R&D for 6G development in which Indian companies have secured patents must be provided by Government. China has allocated trillions of dollars for R&D.

11. The security and resilience of the 5G system rests on continuous threat and risk analysis – so it must incorporate an Indian Threat Intelligence System.
12. A national policy on Standard Essential Patents (SEPs) must be implemented.

India can certainly become an export and manufacturing hub for the whole world and present a viable alternative to China. Indian Products will always be trusted more than Chinese equivalents. The Chinese have been caught bugging the African Union headquarters and Huawei has been helping authoritarian African governments spy on their own citizens. India can position itself as a viable secure and safe alternative and can prevent the misuse of cyber means against the peoples of the world and help protect the freedoms of the world's people.

In addition, the stimulus provided by domestic procurement will give a massive boost to the Indian economy and bring it out of stagnation. Imports and FDI that simply acquires existing assets have failed to do so and discouraged job creation and domestic value addition. All-round domestic procurement will give the much needed push for revival of the Indian economy. □□

Between India and Pakistan, we should give seeds a chance

Indian seed sector lost one of its biggest seed export markets, when the governments of India and Pakistan moved to suspend trade relations between the two countries. The political climate hasn't been the most favourable recently, but this New Year is an opportunity to separate politics and economics for the benefit of farmers on both sides of the border.

The Gujarati community is renowned for their business acumen, and our Prime Minister Narendra Bhai being one of Gujarat's sons must understand that India loses more from this trade embargo. Pakistan has been our third top destination for fruit and vegetables seeds for many years. In 2018-19, India exported USD 17,528,530 worth of fruit and vegetable seeds and 2017-18 that number was USD 14,160,248. It's a 3 million USD increase from the previous year, and perhaps wealth generated from trade would have grown as Indian seeds are very popular in Pakistan, due to similar agro-climatic conditions, quality and unmatched culinary value.

Imagine this wealth is generated only from the trade of the fruit and vegetable trade, what about other seeds like cotton, cereal, etc? Germplasm and plants care little for borders but they do care more for favourable soil, climate and water as a result North India supplied a lion's share of all types of seed to Pakistan. These included paddy, wheat, legumes, cotton, etc. Indian varieties do very well in Pakistan because over time they have adapted to similar growing seasons, monsoon and soils.

The Indo-Pak seed trade was INR 1300-1500 crores each year. And the industry estimates the trade going up to 2000 crores in the coming years. That's



We can only hope that both the government expedite the normalization and treat seed as an essential commodity, exempting seeds from the embargo for public interest.

Indra Shekhar Singh



2000 crores pumped straight into the pockets of farmers and seed breeders. The prosperity it brings across the border can be another great example of Indo-Pak partnership. But by banning seeds exports, we are shooting ourselves in the foot. Apart from the export seed stock losses on the Indian side, the Pakistani side experienced disruption of seed supply and thus generating a large gap.

But the vacuum created by this ban, is being used by Chinese seed companies to expand in Pakistan. This ban facilitates a Chinese takeover of the Pakistani seed industry. While Indian farmers and seed sector are losing millions of dollars, the Chinese seed sector is now growing and due to operations in Pakistan, now has access to Pakistani germplasm, which may in the future, be detrimental to the interests of the Indian seed sector. The Pakistani government and the Chinese are already working to develop a hybrid variety of 'Basmati' and the Pakistani prime minister Imran Khan recently in statement prioritized agriculture, and wanted a deeper cooperation with China.

Although, the Chinese seeds don't match up to the Indian varieties in their culinary value, it's only a matter of time, economics and high yields naturally exhaust the demand for Indian seeds. They work both sides of the border, like many other MNCs seed firms and profit the most from the trade embargo. They biggest losers again are Indian and Pakistani farmers and seed breeders.

Business as usual

As new wave of hatred is slung by each country's media, re-

We have to keep in mind that political differences have lasted for roughly 70 years, yet our history of trade and commerce goes back thousands of years.

ality may be stranger than fiction. Even in this period, India is giving Pakistani citizens visas to attend weddings, etc. And so is Pakistan. Both the governments realize the political difference but are also pragmatic. They know they cannot stop people and trade as both countries are in fact each other's "most favoured nation (MFN)" a term Modi government used too.

On humanitarian grounds India is selling Pakistan medicines as they are essential commodities. Why should seeds be any different? The Indian Essential commodities Act, thinks that some seeds are essential. Further, these seeds are being used by farmers, sometimes the poorest in Pakistan. By ensuring quality seeds for these farmers, India will directly help battle malnutrition and rural poverty in Pakistan.

India can also become a seed testing and quality hub for Pakistani seeds as we have the best infrastructure within the SAARC countries. This is another avenue through which jobs can be generated in agriculture sector as Indian scien-

tists and technicians will be employed to assist Pakistan in their quality assessment. Currently, Indian certified seeds as are respected in Pakistan and other countries like Afghanistan, Nepal, etc. We can strive to create robust system trade unaffected by politics to experience a sector boost in both countries.

Today, Indian and Pakistani seed breeders have to meet in other countries and discuss business or go through a third party to do business across the border. Indian and Pakistani have to unnecessarily spend money. Both our nations lose the price and logistical advantage on seeds due to these situations.

We have to keep in mind that political differences have lasted for roughly 70 years, yet our history of trade and commerce goes back thousands of years. The people of North India and in particular Punjab, Rajasthan, etc have been trading and exchanging goods including seeds for countless years. The current political boundaries lack this history and are devoid of the economic dependence these areas have on each other. Is about time both nations think like the subcontinent for the interest of all their citizens. Life of the trade embargo is limited. Once the political thawing is complete, seed trade will be restored. We can only hope that both the government expedite the normalization and treat seed as an essential commodity, exempting seeds from the embargo for public interest for the future too. This is a rare opportunity for the Modi and Imran governments to steer Indo-Pak relations in the interests of their farmers and also earn some good karma and 'dua' this new year. □□

Demand, supply and growth slowdowns

There is an ongoing debate about whether the current slowdown reflects a demand- or supply-constrained economy. Analytically, this question is pertinent when a slowdown is cyclical. If aggregate demand is less than potential output, then the economy is demand-constrained. But if actual output is less than potential output, despite the existence of aggregate demand, then it can be termed a supply-constrained slowdown.

Structural slowdowns are more complicated. In the case of a developing country such slowdowns are attributable to specific factors (lack of infrastructure, over-regulation, etc.) but may equally be a consequence of interplay between demand and supply factors.

Demand is a function of the price at which goods and services are offered. Supply side constraints may result in equilibrium prices being so high that aggregate demand is limited. This happens when these constraints lower productivity, and therefore, prices are too high for aggregate demand to be generated at the scale required to support output growth. With no barriers to trade, such demand could also be met through increased imports, which would not contribute to raising domestic output and growth.

I see this interplay in India as follows. The Indian growth story since 1991 has not been about export-led growth except at the margin. It has been powered by domestic consumption and derivative investment demand. In essence, the relative prices of the commodities that the top 150 million people consume have fallen since 1991. Relative to the incomes of this segment of the population the prices of goods that are seen as the “leading indicators” of economic growth — cars, fast moving consumer goods, air travel etc.— have fallen continuously, as a



For India to complete its development transformation, a switch to a broad-based and more inclusive composition of domestic demand is of the first importance.
Rathin Roy



consequence of liberalisation, rising incomes and capital gains accruing to this segment, and adequate availability of producer and consumer credit to these sectors. As I have argued previously, there is evidence that aggregate demand growth from this segment is tapering off.

However, structural barriers continue to limit aggregate demand for the things consumed by the next 300 million. Thus, mass market textile imports from Bangladesh and Vietnam absorb Indian aggregate demand as domestic industry is not able to move out of high-wage islands to competitive low-wage geographies in northern and eastern India. Despite government being the largest landowner in the country, especially in cities, regulatory and institutional barriers limit the utilisation of this land to produce affordable housing at scale. Indians earning the minimum wage are unable to afford quality health and education without subsidies.

Thus, aggregate demand for things that those earning the minimum wage wish to purchase is squeezed by high prices due to supply side constraints. High logistics costs, expensive and unreliable energy supply, poor investment in human capital, and in research and development, ineffective and discretion-based regulation and administration, lack of coherent and consistent medium-term fiscal and credit policies compound the problem by lowering productivity, increasing costs, and further limiting the scope for increasing the output of these goods and services at scale and quality.

The public policy response has been unsatisfactory. The poor and minimum wage earners alike



India to complete its development transformation, a switch to a broad based & more inclusive composition of domestic demand is of the first importance.

have to make do with rationed and subsidised access to these goods of very inferior quality. This, at best, limits their welfare loss but does nothing for growth. This leads to high transaction costs and demands for priority in access to these scarce resources or expensive opt-outs. For this reason, public servants and law makers are compensated generously in kind—access to AIIMS medical facilities and expensive private healthcare at subsidised prices, preferential access to quality public housing etc. These perquisites of office ensure they are unaffected by rationing at the expense of the general public.

The current slowdown has been ascribed by many commentators to various structural shocks in the financial and credit markets, as well as medium-term shortcomings in the investment-credit relationships that have governed Indian growth over the medium term. Various measures have been suggested to improve credit off-take, liquidity, and the attractiveness of investment. There is a lot of merit in these arguments but, in my view, the current slowdown has signalled that my diagnosis of the underlying structural weakness of India's growth story needs to be addressed even though it may not be the leading proximate trigger.

I have, elsewhere, argued that

short-term measures to ameliorate the slowdown are necessary. The government has done a lot to secure this amelioration using the instruments at its direct disposal. I have also suggested that more could be done by deploying monetary and credit policy instruments that would be part of any structuralist or new-Keynesian toolkit, but have fallen into disuse due to the obsession of the now discredited orthodox macro-economic framework with the mono-variate relationship between output, growth and inflation.

But for India to complete its development transformation, a switch to a broad-based and more inclusive composition of domestic demand is of the first importance. This is a medium-term task, but execution must commence with simultaneous short-term amelioration measures. If this is not done, short-term fixes will, ultimately, only result in stagflation. India needs to design incomes and industrial policies that secure a more broad-based and inclusive growth process, if it is not to fail in its development transformation and fall into some version of the middle income trap that has been the fate of many countries that have been inattentive to this problem. □□

The author is Director and CEO, National Institute of Public Finance and Policy, NIPFP, New Delhi.
<https://www.nipfp.org.in/blog/2019/12/06/demand-supply-and-growth-slowdowns/>

Prices rising, savings falling

Rate rise must to save economy, check Euro-type crash, violence

The latest RBI decision to stagnate rates show semblance of reality has dawned. As prices are rising, economy is slowing down and savings are hit, the decision is partially correct. A saner decision would have been to increase rates. The central bank is responsible to depositors more than the borrowers. A long helping hand to borrowers since 2008 has hit the banks, people's savings and despite wishes has not helped the economy and savers.

The central bank had been cutting the key interest rates at every Monetary Policy Committee (MPC) meeting since Shaktikanta Das took over as the Governor of RBI last December. In the five reductions so far this year, the interest rates have been reduced by a total of 135 basis points on concerns that growth momentum is slowing down and to boost liquidity in the economy.

Sadly enough, liquidity has remained critical.

The country cites the west to justify most decisions that are not helping the people but does not take lessons from protests against atrocious bank charges in France, Germany, Europe, Australia and other places. Such moves erupted in violent forms since 2015. Anger of yellow vest rallies since December 2018 against bank charges forced French President E Macron to announce freeze on raising charges for 2019. But France is now erupting against pension reforms! grinding the country to a halt and closing Eiffel Tower to visitors on Thursday, Dec 5.

The RBI has not cited these as reasons for the decision to stick to October last decision of rate at 5.15 percent as it sees prices rising further. It could not have overlooked the skyrocketing onion prices that touched Rs 150 a kg in Kolkata.

In practical terms, its October rate cut was improper and now it should have raised it instead of waiting till the presentation of the new budget in February 2020. May be it did not do due to the lobbies of powerful borrowers. The nation



*Rate rise must to
save economy,
check Euro-type
crash, and
violence.*

Shivaji Sarkar



knows that such rampant borrowers have led to high NPAs – simple huge losses to public sector banks – and the recent mergers of loss makers to save these entities.

Europeans are seething against the European Central Bank for the miseries in Europe. Pension funds post 2007 sub-prime collapsed in the US. Now people in France are fighting against such possible collapse.

India needs to learn. Its over decade-long love with the borrowers has hit the depositors of all ages hard. It is just not Vijay Mallya or Nirav Modi who have ruined the banks, there are hundreds of others. The banks while doling out freebies to the failing borrowers forget, they are mere custodian of millions of depositors' savings and have no right to play with it.

The present slowdown is more due to the profligacy of the banking system, loss of people's money, at least over Rs 12 lakh crore as officially stated. Window dressing of mergers avert an overt crisis but is not a solution.

The HDFC Securites MD, Dhiraj Relli, says that RBI is worried about the rising inflation and GDP may not rise as domestic and external demand conditions have remained weak. Instead of rate cut, it nudged the government to cut interest rates on small savings.

Why should the rates for small savings be cut? A similar issue has hit the western nation leading to protests. Mostly these are because of G 20 suggestions. The protest in Europe against the troika – ECB, IMF and World Bank – needs to be taken seriously across the world. It needs to study if the banks are in proper hands or not. The unemployment in Eurozone remains at

The RBI has largely stood as a protector of the banking and its job is to protect nation's finances and economy.

11 percent, growth is anaemic. Spain and Greece are in poor state.

The RBI despite many problems in the country has largely stood as a protector of the banking system. But for its interventions, the situation could have been worse. Political cacophony to protect its autonomy must be taken as consensus to protect independent institutions. The RBI decision has taken a break from the past one year as per its mandate. Its job is just not helping a gasping sector like the housing but protect the nation's finances and economy.

Its job in brief is promotion of saving and investment, controlling imports and exports, managing business cycles, regulation of aggregate demand, generation of employment, helping the infrastructure grow, allocating more credit for priority sector and managing and development of banking sector.

In short, hardly any aspect of economy is left out. But of late it has not considered the falling gross savings rate to the extent it should have. It speaks volumes. Any nation progresses on its savings. The best instances are the initial two decades after independence that ensured progress through collection of 25 paise coins and a minimum of five-rupee deposits. The rate has come down from 37.5

percent on March 31, 2008 to 30.8 percent on March 31, 2018 – fall of 6.7 percent.

Shunning small investments, which still remains major source of development funding, is seen matching fall in overall growth. The links are visible but there are more invisible ones too.

The promotion of mutual funds and linkages to equity fund has seen more repatriation of profits by short term foreign portfolio investors. It may have occasionally zoomed stock indices but has not helped investors much. Mutual funds of many companies and banks have caused severe loss to the marginal investors. Overall the savings were swindled away.

The country also witnessed rise of ponzi schemes during the last about two decades. This was the period when banks in practice discouraged savings. The opportunity was lapped up by the untrustworthy ponzi firms.

The Economic Survey 2018-19, lays stress on savings than investment, saying that global studies have shown that though growth is associated with “a rapidly rising investment rate” it is associated with “even more steeply increasing savings rate”.

Former RBI Governor C Rangarajan says the fall in the household savings has been happening for a long time and has prompted him to describe the economic slowdown as a “structural” one, even though there are cyclical reasons for this too.

The RBI and the government need to look at this critical phenomenon. Campaign a la 1960 type is needed to desist people from protesting, boost savings and stem the slowdown. □□

Review GST for Preserving National Unity

The Government of Punjab has complained that the State is unable to pay salaries to its employees because of the delay in transfer of its share of GST from the Centre. It is having to borrow monies from its Public Sector Undertakings to pay the salaries. This is merely the trailer. The real drama will start three years from now.

The Centre had promised to pay to the States any shortfall in GST receipts for the first five years of the implementation of GST. The GST receipts were expected to increase by 14 percent per year. The Centre would pay to the states any shortfall in these expected receipts. If, for example, the GST receipts in December 2019 after 14 percent increase for Punjab were expected to be Rs 100 crores, but the actual receipts were only Rs 90 crores, then the Centre would pay to Punjab the shortfall of Rs 10 crores. In this way, all the States were assured of a 14 percent increase in their revenues for the next five years.

The Centre, however, is finding it difficult to make the shortfall. The total receipts from GST have remained stagnant around Rs 100 thousand crores per month for the last two years while the Centre has promised a 14 percent increase. Thus, the Centre is finding it difficult to pay the shortfall to the States leading to delays and problems for states like Punjab.

The real action will start after the five years of guaranteed revenues come to an end. The States will no longer be compensated for any shortfall in the GST collections. They will have virtually no tools to make up for the shortfall due to events such as slowdown as happening at present. The states of Assam, Chhattisgarh, Goa, Himachal, Jammu & Kashmir, Jharkhand and Uttarakhand were collecting higher rates of sales tax than the average of all states before the implementation of GST. At present, that is, for the ongoing five years, they are assured of a 14 percent increase even though the GST collected by them is less. But after five



GST was adopted to ease the process of trading and achieve higher growth rates.

Dr. Bharat Jhunjunwala



years they will collect GST at the low rates that are applicable to the whole country. They will face shortfalls in revenues. They will not be able to raise the revenues by increasing the rates of GST on goods sold in their state. They will also not be able to reduce the rates of tax to attract industries. They be helpless in a slowdown such as at present. They will have to forcibly reduce their expenditures. This will have implications for the entire economy. The capital expenditures of the states in 2010-11 were Rs 1.7 lakh crores which increased to Rs 6.2 lakh crore in 2019-20. In comparison, the capital expenditures of the Centre in 2010-11 were Rs 1.6 lakh crores which increased only to Rs 3.4 lakh crore in 2019-20. The capital expenditures of the States and the Centre were nearly equal in 2010-11. Those of the States have become nearly double of those of the Centre in 2019-20. A reduction of receipts of the States in this situation will lead to a cut in capital expenditures and spells trouble for the whole economy.

The purpose of GST was to make trade easy and help us attain higher growth rates. That expectation has been clearly belied—at least for the present. We need to think ahead and make a plan for a possible continuation of the reduced levels of revenues of the states. Let us go back and examine why we introduced GST. It was introduced to facilitate interstate trade. But we have fallen from the frying pan into the fire. We have got rid of problems in interstate trade but landed in the problem of killing the states. We need to examine other ways of trade facilitation that maintain state autonomy.



We may adopt a common classification of goods but allow states to collect different rates of taxes on the sales.

There is no GST in the United States. There is no Central Sales Tax as we had previously either. The states collect Sales Tax on sales made in their state at rates varying from an average of 10 percent to nil. Yet there is no difficulty in transporting goods from one state to another. There are no check posts on the state borders. A number of consumers in the United States travel from New York to New Jersey to buy goods because the rates of sales tax are less. The situation of Europe is similar though varying. Countries like Finland give more autonomy to the States, others not. Yet interstate trade is easy. These examples show that interstate trade is possible with different levels of Sales Tax or GST collected by the states. One reason for this is that the problems arising from different classification of goods have been removed. For example, Kraft paper could be classified as “paper” in Punjab and as “packing material” in Haryana.

In such a situation, interstate trade was difficult because the rate of tax applicable on the same commodity was different among the states. This problem has been removed, thanks to GST. Now we must reinstate different rates of GST to be fixed by the states. The experiences of the United States and Finland tell us that interstate

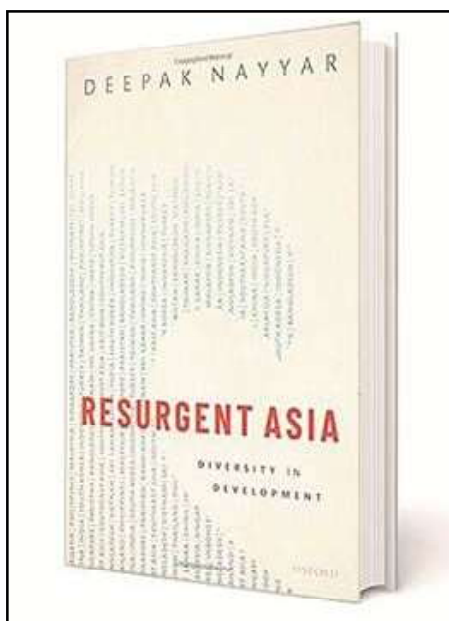
trade is possible with different rates of tax.

We may adopt a common classification of goods but allow states to collect different rates of taxes on the sales. We can look for other alternatives. The main point is that the autonomy of the states must be restored so that they can adjust their tax rates and revenues according to their particular circumstances. That will prevent extreme duress for the states like Assam and others who were collecting sales tax at higher rates earlier. They will be able to collect GST at higher rates and meet their expenditures as previously. The problem could be explained by a simile. The young in the joint family leave if the head bounds them excessively by fixing their monthly expenditure etcetera. The family then breaks. On the other hand, the family is held together if head provides substantial freedom to the members to live according to their own dispositions.

The unity of the country is likely to be maintained if we loosen the GST and allow states to collect GST at different rates. The objective of GST was “one tax, one country.” However, it may have the opposite result of “one tax, many countries” if state autonomy is not restored. □□

Formerly Professor of Economics at IIM Bengaluru

Crouching Tigers, Hidden Dragons



Title: Resurgent Asia: Diversity in Development, **Author:** Deepak Nayyar, **Publication:** Oxford University Press, **Pages:** 295, **Price:** Rs 895

In 1968, the Swedish Nobel Prize-winning economist Gunnar Myrdal published a three-volume survey of Asian economies, *Asian Drama: An Inquiry into the Poverty of Nations*, taking a rather dim view of Asia's growth prospects. In India's case, Myrdal identified corruption in public life as a major cause of its poor economic performance, inviting Indira Gandhi's famous put-down, "Corruption is a global phenomenon." Most critics were astounded that Myrdal paid little attention to the impact and legacy of European colonialism in Asia. Thirty years after Myrdal's ahistorical study of Asian backwardness, the Cambridge economic historian Angus Maddison published his now famous statistical analysis of global development, demonstrating how China and India had been the world's largest economies till the 17th Century, how two centuries of European colonialism had altered their fortunes

and how by the turn of the century Asia was once again resurgent.

On the 50th anniversary of Myrdal's book, economist Deepak Nayyar asked the question as to what happened in the interregnum that proved Myrdal wrong and explained Maddison's findings. Nayyar's *Resurgent Asia* is an analytical enquiry into the development experience of Asia's 14 major economies. Nayyar has chosen for his study China, South Korea and Taiwan from East Asia; Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam from Southeast Asia; Bangladesh, India, Pakistan and Sri Lanka from South Asia; and Turkey from West Asia. Taken together, Nayyar's 'Asian-14' account for nine-tenths of Asia's population and four-fifths of the continent's income.

The big picture is easy to paint. Led by the so-called 'Asian tigers' — Hong Kong, Singapore and Taiwan — and followed by South Korea, Malaysia and Indonesia the Asia to India's East rose on the back of export-led industrialisation aided not just by the support of the United States, as part of its Cold War strategy of arresting the spread of communism in Asia, but also thanks to the investment these economies made in human capital formation, efficient infrastructure and agricultural modernisation. China followed their example and the 'Asian miracle' was achieved. Ataturk's Turkey had a similar model of modernisation. South Asia is the laggard, but India began to rise, economically, after the 1980s with Bangladesh following suit. Sri Lanka was once viewed as a potential 'Singapore of South Asia' but the majoritarian politics of Sinhala extremists and their mis-handling of minority Tamil grievances put paid to that prospect. Pakistan also



An analytical inquiry into the development experience of some of Asia's major economies and why there might be ground for optimism.
Sanjaya Baru

Book Review

began on a good note in the 1950s and 1960s, performing better than India, but after 1991, India took off and Pakistan was left behind.

Nayyar's painstaking statistical compilation demonstrates clearly as to what policies worked and what could not. The Asian growth story remains essentially an East Asian growth story with China adding heft to it. High rates of saving and investment, especially public investment, a strategic industrial policy that created globally competitive firms and rising levels of land and labour productivity were the key drivers. Not surprisingly, Nayyar identifies investment in education and the performance of that sector as an 'important driver of growth on the supply side'. Both supportive macroeconomic policy, that was not obsessed with low fiscal deficit and low inflation, and structural changes facilitated

growth, while growth itself facilitated structural change.

While East Asian economies did well on the export front, they were also open to imports which meant that net export was not as important a driver of growth as is commonly imagined. Trade openness made these economies globally competitive but not excessively dependent on the global market. Nayyar makes the important point that none of the East Asian economies have yet become 'engines of global growth' because of which 'Asia could not drive world economic recovery in the aftermath of the global financial crisis despite the resilience of its economies.'

Linear growth projections show Asia regaining its lost share of world income, returning to the 1820 level by 2050. Nayyar does not dismiss this prospect but warns that 'the opportunities are juxta-

posed with formidable challenges.' While rejecting the kind of pessimism about Asian growth prospects that Myrdal epitomised in the 1960s, Nayyar believes that despite challenges 'there is more reason for optimism than pessimism.' But such optimism is more on account of his reading of economic trends. A more nuanced political and sociological analysis may be less optimistic. Asia's challenges remain on the governance front.

India is a classic example of a country whose economic performance over the past two decades gives us reason to be optimistic about the future, but whose political management makes one less so. In most of East, Southeast and West Asia also, it is the political risk that begs the question about the economic prospect.

The writer is distinguished fellow, Institute for Defence Studies & Analysis, New Delhi
<https://indianexpress.com/article/books-and-literature/economist-deepak-nayyar-resurgent-asia-book-6178861/>

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China's debt-trap Diplomacy

China is now going to occupy Kenya's immensely profitable Mombasa port. Beijing had lent huge amounts for the development of Kenya's railway network, which the African nation is not in a position to repay. Not only this, the inland container depot in Nairobi is also under threat of a Chinese takeover.

We must remember that the modus operandi is the same as was in Sri Lanka, when Colombo had to hand over the port of Hambantota to China on a 99-year lease due to non-payment of Chinese borrowings.

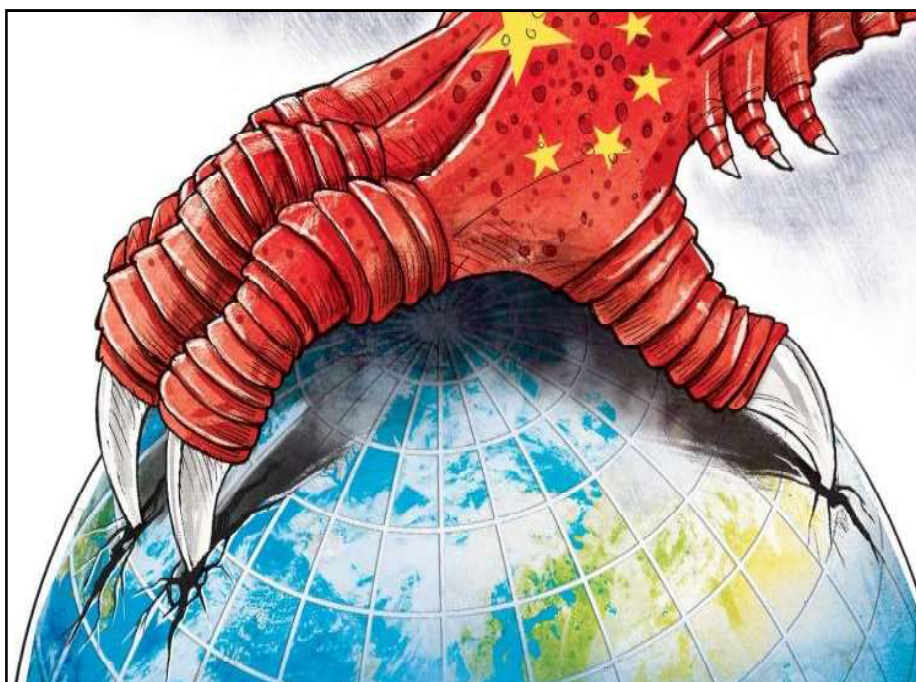
China had lent 550 billion Kenyan shillings for construction of Kenya's Standard Gauge Railway project. It is not fetching enough revenue and has lost 10 billion Kenyan shillings in the first year itself. China is going to acquire not only that project but also the Mombasa port to make up for the deficit. The auditor general of Kenya says that a one-sided agreement was reached with the Exim Bank of China, and even the arbitration of this agreement can only take place in China. Significantly, all the SGR receipts still go to the escrow account as per the unequal agreement favouring China.

The most dangerous clause in this agreement is that the Kenyan government has guaranteed a minimum occupation in the railway project to China. This is now leading to a situation of Kenya losing possession of its important public assets. In fact if we see it carefully, the whole Belt and Road Initiative (BRI) that was rolled out by China is actually proving to be a part of its debt-trap diplomacy.

Significantly, BRI was being called a major infrastructure initiative, which by developing roads, railways and sea routes, would make the movement of goods

Many countries have been pushed into indebtedness due to Beijing's Belt and Road initiative. Kenya seems to be the latest victim.

Swadeshi Samvad



between different countries easier and cheaper, thereby promoting international trade. China is trying to make the world embrace the argument that the BRI project will prove useful to developing countries in enhancing mutual trade, economic relations and connectivity. While explaining the benefits of BRI, efforts are being made in public discourse to hide its political, economic and geopolitical implications and threats.

The success of any scheme depends on its financing. This applies even more to infrastructure projects. When the Belt and Road Project was launched, all funding came from the Chinese government, the China-led Asian Infrastructure Investment Bank and other institutions from Beijing. Since investment in BRI and other related infrastructure was coming from China, whether the Chinese government itself or financial institutions under the Chinese government, many countries got caught in a debt trap due to different reasons. In most of these cases funding was at an exorbitant rate of interest or it was made for non-viable projects or both. Sri Lanka's Hambantota port became a startling example in this regard. Looking at this, many countries have started shying away from China's infrastructure proposals. Similarly, another port in Djibouti, a country that has been the main military base of the US in Africa, is now on the verge of being taken over by a Chinese company due to heavy debt. Opposition to BRI is increasing due to the rising debt burden in many countries. In the last two years, not only opposition parties in BRI partner countries, social organisations too are strongly



Due to the high cost of infrastructure projects being built by China in Pakistan, the debt burden is increasing to unbearable levels and so is the repayment pressure on Pakistan.

opposing the project.

The China-Pakistan Economic Corridor (CPEC) is said to be the first project of BRI. Pakistan's experience should be considered as a guide for the future. Four years ago, the then prime minister of Pakistan Nawaz Sharif had said that CPEC would prove to be a "game changer" for Pakistan and South Asia. But the way Pakistan has sunk into debt after four years shows that is not the case. Further, the growth there has come down from 5.8% in 2017-18 to 3.4% in 2018-19 and a projected 2.7% now. With the worsening economic condition of Pakistan, nobody in that nation is now call-

ing CPEC a 'game changer'.

Due to the high cost of infrastructure projects being built by China in Pakistan, the debt burden is increasing to unbearable levels and so is the repayment pressure on Pakistan. And the benefits from these infrastructure projects are very meagre and uncertain. Therefore, Pakistan is not very optimistic about CPEC any more.

It has to be understood that the World Bank also has many apprehensions about the BRI initiative. This has been discussed in detail in several World Bank reports, but so far there is a lack of concerted effort by international financial institutions to take over BRI projects. All kinds of contradictions of China and the clear expansionist policy of that nation can become an obstacle in solving these problems. Time will tell whether China will come out of its 'monopolist' policy and make elaborate efforts to push BRI through global forums. If China doesn't mend its ways, it will create obstacles to its own plans. But whatever the case may be, the fact is today, around 10 countries have been trapped in China's debt-trap diplomacy through BRI. □□

<https://www.newindianexpress.com/opinions/2019/dec/19/chinas-debt-trap-diplomacy-2078207.html>

CAA, NPR And NRC Will Play Crucial Role In Making Of New India

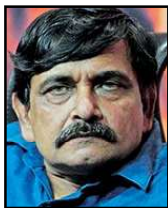
In designing India, the BJP way seems to be the agenda for the introduction of the CAA, NPR and NRC. They were all mandated in the statutes and governments, even before Narendra Modi became Prime Minister, had expressed the intent to implement them. But when the Modi government finally took the decisive step, a Pandora's box has opened up and it hit a hornets' nest.

Why is it that everything the Modi government wants to do become suspect and controversial for the opposition? It is the blind hatred for Modi or the unreasonable antipathy of the anti-Modi brigade that has made the Citizenship Amendment Act (CAA), the National Popular Register (NPR) and the National Register of Citizens (NRC) becoming controversial.

The CAA has its genesis in the 1985 Rajiv Gandhi AASU Pact. That the governments at the centre till date did not move on the matter and it was only after Modi became Prime Minister in 2014 that it became operational is another matter. The NPR was a proposal mooted under the UPA and P Chidambaram, as his Home Minister, piloted the move. The NRC was to be taken up by then Home Minister L. K. Advani, during the NDA rule in 2001.

So, on the face of it, the Modi-Amit Shah team has not done anything revolutionary or novel for the opposition to protest. Yet, there is widespread unrest, a prophecy of doom and cultivated violence around the country on the issue of CAA and NRC. All the explanations of the Prime Minister and Home Minister on the issue that it is not against any community have fallen on deaf ears. It is as if the opposition is not open to reason. It is bent on spreading falsehood.

Every Modern nation in the world today has their citizen's register. It has



There seem to be a deliberate antipathy towards Hindus and the existence of India as a Hindu majority state in the opposition camp.

**Dr. R.
Balashankar**



become absolutely necessary and an important ingredient for the planning and development activities, and national security in particular in times of calibrated terror attacks. That India needed one too was recognised as early as 1953.

As for taking minorities from the Islamic states of Pakistan, Bangladesh, and Afghanistan because of their notorious history of religious persecution of minorities, has been the commitment right from Mahatma Gandhi in 1947 to Pandit Jawaharlal Nehru, Sardar Patel and Dr. Rajendra Prasad in the aftermath of partitions and later by Dr. Manmohan Singh as Prime Minister during the UPA time. Then why is it that when the BJP tries to implement long-standing promises of the national leadership it becomes exceptional and anti-Constitutional?

Legal experts like Harish Salve and Aryama Sundaram have not found anything violating Article 14 of the constitution or violating the secular fabric of India. The argument that Muslims also should be included in the list of persecuted minorities in the CAA is so ridiculous that one has to invent a rational for religious persecution of Muslims in these Islamic countries.

If we accept it, then the very Islamic nature of these countries has to be questioned. Nobody can make such a suggestion unless their objective is to Islamise India totally. There seem to be a deliberate antipathy towards Hindus and the existence of India as a Hindu majority state in the opposition camp. Or else why should anybody go back on their own publicly stated stance only because the BJP government is doing it.

As for equality before law and Article 14, it is not for refu-

It has become absolutely necessary and an important ingredient for the planning and development activities, and national security in particular in times of calibrated terror attacks. That India needed one too was recognised as early as 1953.

gees or infiltrators. It applies only to Indian citizens. The latter will come under the preview of the asylum rules, applicable to aliens from foreigner countries. The CAA is an attempt to extend justice to the persecuted minorities from the said three countries living in refugee camps for decades.

How can anybody oppose the BJP for implementing its manifesto declaration? The opposition is charging the BJP of working towards implementing its party agenda. What is wrong about it? Any party, that gets a mandate, that too for a second time, is supposed to implement its agenda. That other parties are not serious about their manifesto is their problem. A convincing mandate in an election is in itself a green signal for a party to implement its manifesto promises.

The parties that lost the election are now trying to block the BJP from going ahead, by taking to streets and fomenting violence in the name of CAA. In fact, the opposition tried to raise passions

in the country in the last six years on many occasions.

In the name of Demonetisation, GST, lynching, Award Wapasi, intolerance and abrogation of Article 370, the opposition tried to corner Modi. The same set of people, through signature and advertisement campaigns, tried to stop Modi from becoming India's Prime Minister. The opposition to the CAA and NRC have to be seen in this light.

The opponents of these Acts have not come up with any convincing argument to oppose the CAA and NRC. The opposition could have thought of better arguments to allow Muslims into India from Pakistan and Bangladesh than accusing Modi of being communal. The struggle against the CAA and NRC has so far not gained any national echo, also because of this reason.

India has to emerge as a strong modern nation. To ensure this, NPR, CAA and NRC are necessary. There is no use trying to stop their implementation through campus violence and street protest. The parties opposing these are actually trying to take out their frustration against Modi, by making this issue as mere ruse. The Opposition to the CAA and NRC look deliberate.

By politicising, and communalising a national issue, the opposition has walked into Narendra Modi's trap. One cannot argue for only Muslims and claim that they have a secular agenda. As for migrants from neighbouring countries, no nations, not even the US, allows unhindered entry of foreigners, who will upset the demographic equilibrium of their nationhood.□□

(The writer is a political analyst and member and former Editor of Organiser Weekly. Views expressed are personal)

<https://www.outlookindia.com/website/story/opinion-caa-npr-and-nrc-will-play-crucial-role-in-making-of-new-india/344747>

What led to the SAD's U-turn on the inclusion of Muslims in CAA?

Amid protests in various parts of the country, a statement from the Akal Takht jathedar (head priest) Giani Harpreet Singh favoured the inclusion of Muslim community in the Citizenship Amendment Act (CAA). Akal Takht is the highest temporal seat among Sikhs and is equivalent to the stature of the pope among Christians. The statement from their chief was reason for concern for the Shiromani Akali Dal, whose MPs had supported the bill in the parliament. The SAD national president, Sukhbir Singh Badal, had, however, in his speech in Lok Sabha, demanded the inclusion of sects within Islam which face persecution within the Muslim community in Pakistan, like the Ahmadiyya sect.

In Punjab, chief minister Capt. Amarinder Singh was already opposing the Citizen Amendment Bill (CAB), like other Congress chief ministers, committed to not implementing the exercise of formulating a National Register of Citizens (NRC). "While we welcome the inclusion of Sikh and Hindu refugees, we don't want to alienate the Muslim community," says Badal in a conversation with India Today.

But what led to SAD's U-Turn and subsequent broadening of their stance for all sects of Muslims? There are two reasons. Despite their population size of 1.93 per cent of the state population, Muslims in Punjab are swing voters and, secondly, the temporal seat of Ahmadiyya Muslims is in Qadian, in Punjab's Gurdaspur district.

Meanwhile, Badal, says: "there are Muslims who are living in India for more than three decades, it could be a futile exercise to disenfranchise them." Apart



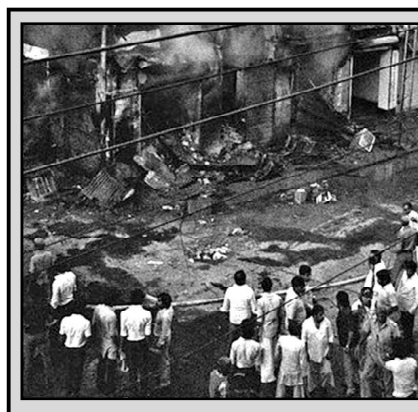
The party, whose national president had, in his Lok Sabha speech, supported the Citizenship Amendment Bill, no longer wishes to alienate Muslims.
Anilesh S. Mahajan



from the SAD chief, other NDA allies and friendly parties are side-stepping from committing to the NRC exercise, including Bihar chief minister Nitish Kumar, and Odisha's Naveen Patnaik, among others. "The sikhs cannot differentiate against anyone on the basis of religion and caste. So, there was no need to keep the Muslims out," says Akal Takht jathedar Singh, adding that the Muslims might be a majority in Pakistan, Afghanistan and Bangladesh, but are a minority in India and must not be alienated.

In Punjab, there is a sizeable settlement of Pakistani Hindus and the Sikh refugees from Afghanistan and Pakistan in Jalandhar, Amritsar and Ludhiana and there are Sikh refugees living in several urban, middle-class areas of the state and in Delhi. "There are very few 'refugees' among Ahmadiyyas in India or Punjab. There are families who have married across the border and are seeking Indian citizenship," a community leader, who wished to not be named, told India Today INDIA TODAY. There are roughly 1.5 million Ahmadiyyas in India. Apart from Qadian, they have sizeable population in Delhi, Mumbai and Chandigarh and are mostly affluent. Most Ahmadiyya "refugees" have moved to the UK to take refuge. The observers believe that the inclusion of this particular sect would only have added strategic brownie points. "There are not many Ahmadiyya refugees, but their inclusion would help India strategically," says a top official dealing with India's strategic affairs to India Today, on condition of anonymity.

There is politics too in the SAD's stance. The rigid stance of



In 1984, Pakistan outlawed the sect, declaring them as non-Muslims and since then they have been through several rounds of religious atrocities.

party leadership would have pushed the Muslim population towards Congress. After touching 0.5 per cent of the state's population post the 1947 Partition and the subsequent violence, the 1961 census showed that Muslims constituted 0.8 per cent (largely in Qadian and Malerkotla principality) of the state's population, and this number went up to 1.93 per cent by the 2011 Census. In six out of Punjab's 22 districts, more than two per cent of the population is made up by the Muslim community, with Sangrur topping the list with 10 per cent. The major increase happened in the last two decades, when there was an influx of industrial labour in the urban centres.

The political parties worry that these districts might have a sizable population of refugees from Bangladesh. Apart from Malerkotla assembly segment, where Muslim voters are in majority, there are 18 seats where the swing votes can dent the results. SAD, which is facing a crisis of depletion of its core vote bank of rural Sikhs, can ill-afford to lose this vote block to Congress.

Those who understand Punjab's demography and history will further tell you that both the Sikh and Hindu communities in the state have soft corner for Ahmaddiyas.

In 1984, Pakistan outlawed the sect, declaring them as non-Muslims and since then they have been through several rounds of religious atrocities. It is a criminal offence for Ahmadiyyas to practice Islam or claim to be Muslims. If they do, they stand to face the probability of capital punishment. In fact, in the summer of 1999, Mirza Masroor Ahmad—who went on to be the fifth (and current) caliph and worldwide leader of the Ahmadiyya Muslim community—was imprisoned for 11 days in Lahore jail and later released without charge. Because of such atrocities, both Mirza Masroor Ahmad and their global headquarter moved from Rabwah in Pakistan to London. The township was developed after Ahmad's family moved from Qadia to Rabwah because of partition. In 1999, the Pakistani Punjab's provincial assembly passed resolution without discussion to change the name of Rabwah to Chenab Nagar to wipe out their memories.

Unfortunately, the persecution of the Ahmadiyyas has continued in Pakistan. The SAD's request to include them among the other religions might just be the thing that saves SAD's vote bank. □

<https://www.indiatoday.in/india-today-insight/story/what-led-to-the-sad-s-u-turn-on-the-inclusion-of-muslims-in-cao-1630119-2019-12-20>

Historical Promises

The demonstrations in several cities since the passage of the Citizenship Amendment Act (CAA) are highly coordinated, with agitators connected to groups in different parts of the same city, having transport for rapid movement from one spot to another, given contact numbers to access eminent lawyers, taught to access offline communication during internet shutdowns and armed with protest tools. Their slogans are fairly uniform, political parties and groups behind them are the same and now, an eminent E-zine has issued an “advisory” for politically correct coverage of the rallies.

With violence exceeding one week (and likely to continue after a Christmas break), there is an urgent need to delink the CAA from the non-existent National Register of Citizens (NRC) that is being misused to propagate a nationwide hunt to weed out one community. The Centre should, therefore, state that it is continuing former Union Home Minister P Chidambaram’s National Population Register (NPR), for which enrolment began alongside Aadhaar in 2010. (This writer was enrolled vide form number 02046115, household block no. 0021, household number 128). The rules framed then should be made public and amendments invited.

The CAA logically follows the defanging of Article 370 of the Constitution and scrapping of a State subject. Hence, the need for a law to provide citizenship to Hindu refugees, who came to Jammu & Kashmir in 1947, unaware that the then Prime Minister Jawaharlal Nehru was busy overthrowing the benign king and creating a veritable hell for non-Muslims in Jammu, Kashmir and Ladakh. It made sense to cover all persecuted minorities from Pakistan, Bangladesh and Afghanistan — all of which are Islamic Republics.

Afghanistan had a sizeable Sikh and Hindu population under the kingdom of Maharaja Ranjit Singh; it slowly migrated to India, especially after the assassination of former Presidents Mohammed Daoud Khan (1978) and Mohammad



There’s a need to delink CAA from NRC that is being used to propagate a nationwide hunt to weed out one community. The Centre must clarify that it is going by continuity of past regimes.

Sandhya Jain



Najibullah (1996), and the rise of the Pakistan-backed Taliban. Hence, Afghan minorities deserve the same consideration as those from Pakistan and Bangladesh.

As Union Home Minister Amit Shah stated in Parliament (December 9 and 11), the Nehru-Liaquat Pact of 1950 failed abysmally to protect minorities in Pakistan. Its first Law Minister, Jogendra Nath Mandal, who helped the Muslim League wrest Sylhet from Assam, fled to West Bengal the same year. Similarly, the Christian community that worked actively for Pakistan, fared poorly in the Islamic Republic and has been included in the ambit of the new Act. Muslims are free to seek citizenship on individual basis under existing laws (given to 2,830 from Pakistan, 912 from Afghanistan and 172 from Bangladesh in the last six years).

The Cabinet Mission Plan clubbed Assam with Bengal in Group C to create a predominantly Muslim zone in eastern India, like the one proposed in western India. Gopinath Bardoloi retained Assam for India but Constituent Assembly member Rohini Kumar Chaudhary warned that at least three lakh Muslims had entered India illegally.

Thereafter, the interim Parliament passed the Immigrants (Expulsion from Assam) Act, 1950, to enable the Central Government to remove outsiders whose “stay in Assam is detrimental to the interests of the general public of India or of any section thereof or of any Scheduled Tribe in Assam.” Hindu refugees were exempted. However, as the North-eastern States expressed anxieties, special provisions were invoked to protect their social and linguistic

uniqueness. The refugees in Bengal are mainly Matua (Namashudra), who kept the communists in power for nearly three decades and then ensured the Trinamool Congress’ victory. Before independence, Mahatma Gandhi (Delhi prayer meeting, July 16, 1947) said if minorities were unable to live in Pakistan, “the duty of the adjoining province on this side of the border will be to accept them with both arms and extend to them all legitimate opportunities.”

In a letter to Sri Krishna Das (July 21, 1947), he said, “The poor Hindus, who will migrate owing to oppression, will certainly be accommodated in India.” On November 5, 1950, Jawaharlal Nehru assured the Parliament, “There is no doubt, of course, that those displaced persons, who have come to settle in India, are bound to have the citizenship. If the law is inadequate in this respect, the law should be changed.” Sardar Vallabhbhai Patel promised vigilance for the welfare of the minorities in Pakistan.

In March 1964, the then Union Home Minister Gulzarilal Nanda said if the honour and lives of Hindus are not safe, “the door has to be kept open...”, a sentiment echoed by Communist Party of India (CPI) MP Bhupesh Gupta. After the emergence of Bangladesh, CPI(M) leader Gautam Deb observed that religious persecution of Hindus continued after the assassination of Mujibur Rahman.

On April 20, 2010, former Assam Chief Minister Tarun Gogoi urged the then Prime Minister Manmohan Singh to grant citizenship to those who fled religious persecution at Partition. CPI(M) MP Basudeb Acharia (Lok Sabha, April 25, 2012) demanded amend-

ment of the citizenship Act to grant citizenship to Bengali refugees, who migrated even before the Indira-Mujib agreement. He was supported by PL Punia and Khagen Das in the Lok Sabha and Shyamal Chakraborty and Prasanta Chatterjee in the Rajya Sabha. The 20th Congress of the CPI(M) passed a resolution, demanding rights for Bengali refugees (April 2012).

In 2003, the Atal Bihari Vajpayee Government gave special powers to some border districts of Rajasthan and Gujarat to grant citizenship to Hindu and Sikh refugees from Pakistan and Bangladesh. Manmohan Singh urged a more liberal approach towards refugees after Partition. In June 2012, CPI(M) general secretary Prakash Karat wrote to Singh about the plight of Bengali refugees: “Their situation is different from those who have come to India due to economic reasons.” Karat said lakhs of families from Scheduled Caste communities like Namashudra, Pondra Khatriya, Majhi were affected.

Finally, there is no “right to infiltrate.” Every nation protects its borders, distinguishes between refugees and intruders and makes laws to confer citizenship on foreigners. When Jews came to Kerala after the destruction of the Temple of Solomon (70 AD), descendants of the Prophet to Sindh after Karbala (680 AD), Parsis to Sanjan (8th century), all sought permission from local rulers. Post-1947, Tibetans, Baha’i and others were given refuge. But sneaking into the country and acquiring voter and ration cards by stealth is neither legal nor acceptable. □□

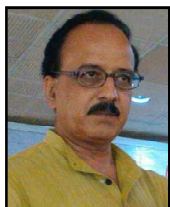
(The writer is Senior Fellow, Nehru Memorial Museum and Library. Views expressed are personal)
<https://www.dailypioneer.com/2019/columnists/historical-promises-historical-promises.html>

Farm tech being pushed to benefit corporates

A New York farmer, who also works as a lawyer, tweeted this the other day: “Headed home, I tried to work in the law office today, but my head is full of the disasters I am seeing on the dairy farms and in rural areas. Even longtime farmers in my area are trying to sell land to save the rest of the farm. Where is this headed? I don’t know.” Well, if such a deepening farm crisis should dominate one of the most productive agricultural systems in the world, it’s time to pause and rethink.

The question that needs to be asked is whether the US agricultural policy is deliberately aimed at decimating the farm sector? And, in that sense, whether Indian agriculture, too, is intentionally (or unintentionally) moving in that direction? To say that the landholdings in India are too small to be economically viable is understandable, but why is it that even in the United States, where the average farm size is 444 acres, small family farms should be on the way out? Why is that in Australia, where the average farm size is 4,331 hectares, should agriculture become unviable? Going by the economy of scale, there seems to be no plausible reason why farmers in America and Australia should be quitting farming. If small holdings are unviable, how come even large holdings are becoming uneconomical? Unless, of course, policymakers refuse to admit that farmers everywhere in the world, not only in India, are being denied realtime prices, depriving them of their rightful income.

First of all, let’s be clear. The US has always been for pushing small farmers out of agriculture. Even at a time when US agriculture is passing through turbulent times, American Agriculture Secretary Sonny Perdue unabashedly acknowledges: “In America, the big get bigger and the small go out.” This echoes what former US Agriculture Secretary Earl Butz, who served under Presidents Richard Nixon and Gerald Ford, had famously said: “Get big or get out.” This was followed by a cleverly drafted narrative of “feeding the world”, pushing farmers to



A New York farmer, who also works as a lawyer, tweeted this the other day: “Headed home, I tried to work in the law office today, but my head is full of the disasters I am seeing on the dairy farms and in rural areas.”
Devinder Sharma



produce large surpluses that actually dipped prices. Such a deliberate policy has left US small farmers struggling. Many of them are going out of business and quitting agriculture in desperation.

The policy to get big serves as an invitation for an increasing corporate control over agriculture, which is also becoming an unwritten policy for the developing world to follow. In addition, whether it is the World Trade Organisation (WTO) or the Regional Comprehensive Economic Partnership (RCEP) treaty, trade policies have been very conveniently tweaked to provide an enabling environment for big agribusiness giants to step in. As competitiveness has become the market mantra, developing as well as least developing countries are being increasingly forced to open up for cheaper agricultural products, thereby displacing millions of small farmers in the bargain.

To illustrate, the biggest dairy farm in China is spread over 22,500,000 acres, an area equal to that of Portugal. According to *worldatlas.com*, this farm houses around 1,00,000 cows. The second biggest dairy farm, spread over 11,000,000 acres, is also in China. The remaining eight of the top 10 big dairy farms are situated in Australia, which despite the size are under stress.

No wonder, the push for seeking an unfettered access into India through the regional mega RCEP treaty, which India has, for the time being, rightly decided to stay out of. Considering that 10 million people are involved in dairying in India, imagine the destruction of livelihoods from cheaper dairy imports from Australia, New Zealand and China.

Returning to agriculture, rural

Rural America, like rural India, is faced with a severe agrarian crisis. More than half of US farmers have a negative income.

America, like rural India, is faced with a severe agrarian crisis. Like in India, where the average income of farming families in 17 states, which is roughly half the country, stands at a paltry Rs 20,000 a year, the US agriculture is not doing good either. More than half of US farmers have a negative income. According to the American Farm Bureau Federation, 91 per cent farmers and farm workers face distress. Besides affecting their mental health, the severity of the crisis is such that 87 per cent farmers fear they will have to abandon farming. Accordingly, farm debt in 2019 is expected to soar to \$416 billion, the highest since 1980. For several decades, farm gate prices have remained frozen when adjusted for inflation. The prevailing onion prices, for instance, are no different from the prices farmers received 30 years ago. Corn prices have remained static for almost five decades.

If such a worsening farm crisis is happening in a country which applies state-of-the-art technology in agriculture, and is often touted as an example to be followed by the rest of the world, isn't it time to examine how inappropriate is the argument for pushing in more sophisticated technology (often unwanted) in Indian agriculture? No one is against technology, but

it has to be relevant, depending on the needs, and not pushed to benefit commercial interests.

If in a country which is completely high-tech in agriculture, the suicide rate in rural areas is 45 per cent higher than in urban areas, isn't it time to redesign Indian agriculture, focusing more on sustaining small farms, thereby reducing the rural-to-urban migration? Should not the Ministry of Agriculture and Farmers Welfare, therefore, embark on a fresh strategy to bring in policies tuned in more to domestic needs and those that make farming environmentally sustainable and economically viable?

An OECD-ICRIER (Organisation for Economic Cooperation and Development-Indian Council for Research on International Economic Relations) study has shown that Indian farmers have been suffering a loss of 14 per cent every year in farm incomes for almost two decades, between 2000-01 and 2016-17. This has largely benefited the consumers who paid 25 per cent less for all agricultural commodities every year. In other words, it is the farmers who have been subsidising the country all these years. An outcome of the global economic design which aims to deliberately keep farm prices low, farmers' anger is brewing across the world. As farm protests spill on to the streets in Germany, Holland, Canada, America and India, the reason for growing farm anger was best summed up by Ian McLachlan, President of the National Farmers Federation of Australia, who while addressing a farmers' rally some years back had said: "We're sick and tired of subsidising the rest of Australia." □□

<https://www.tribuneindia.com/news/archive/farm-tech-being-pushed-to-benefit-corporates-868064>

Stance of Indian Mobile Phone Handset Manufacturers

The mobile phone consumption in India is at its peak for last few years. Recently, India has emerged as the second-largest market for mobile phone handset by overtaking the United States and is next only to the People's Republic of China. India is at such a transition stage of consumption of mobile phones that urgent ways be carved to diminish its impact on import bill and systematize it as an opportunity to create jobs. The ultimate situation will be that significant portion of the demand be served by the Indian manufacturers; i.e. Indian brand of mobile phones- be made in India- and should be able to meet the significant portion of domestic demand as well as earn foreign revenue for the country.

Based on certain measuring scale, India is positioned as the second-largest mobile phone manufacturer in the world. It has surpassed all other mobile phone device manufacturing countries and is lagging behind China only. It is just the namesake of localization of mobile phone manufacturing business and the definition of Make in India- combined together- which poses a decent ranking for the number of mobile phones manufactured in India. But the definition of Make in India needs to be scrutinized. In the context of mobile phone manufacturing – for example- the localized parts currently engaged are of low value in expertise as well as in monetary terms, and the important component like printed circuit board are imported which are of high value. There is a lack of high-value addition in the domestic supply chain of value addition. The processes like – assembly, programming, testing and packaging of imported items are not high value-adding jobs in this context. The printed circuit board is the most important component in the mobile phone device and its assembly adds more than fifty percent



The Indian companies should come together for an exclusive retail outlet and also with an exclusive online platform for selling Indian brands.

Alok Singh



value to the final product and India needs to catch up in the domain of printed circuit board to fulfill its dream of being an original mobile manufacturer with a significant domestic value addition.

The policymakers have hiked the import duty on certain items and it has prompted manufacturers to look for locally available substitutes. The government also increased the import duty on finished mobile phone devices and on low value-adding components. But the real component that is the printed circuit boards still enjoys relatively fair import duties. The trade-offs between high import duties on finished mobile phone and on low value-adding components are nullified by relatively low import duty on printed circuit boards. The success of domestic mobile manufacturing needs pushes to printed circuit boards.

Even the share of domestic assemblers of the printed circuit board is only about 25% and the rest of the assembled printed circuit board is imported. The customer can't see the parts and components on the new smartphones as these smartphones are coming with build-in battery and so it's difficult to figure out the source of origin of simple components like battery. The ultimate objective is to complete the whole manufacturing process of printed circuit boards - that is the manufacturing of components and sub-components to the assembly of printed circuit boards within India. It has been much talked about that India lacks in- Innovation, and Research and Development, which needs to be discussed. But the recent trends are encouraging. India has improved its position in the global

innovation index. Moreover, innovation gets killed in India. It means that the innovation which happens and is labeled as Jugad (or frugal innovation) gets killed. It has a very short life span. While in the People's Republic of China the research output from polytechnic institutes matches as those from their universities. What needs to be done is to document those Jugad and get it patented or published. This will have an impact on India's ranking in research and development as well as innovation and the label that India is lacking behind in research and development can be rectified. It's not about the capability to do research and development and innovation but it's about the perception regarding capability. It can be thought that India is ahead in unorganized innovation rather than organized innovation, where organized innovation means those that are documented, patented and published.

The real constraints are those of retailers and end user customers and not of research and development or innovation. There are obvious constraints for the manufacturer, constraints for traders, constraints for retailers, constraints for wholesalers, and constraints for buyers and maybe certain constraints for policymakers. Every consumer is price-sensitive and hence acts as a catalyst to create a "Red Ocean strategy" for mobile phone manufacturers and for logistics provider. In "Red Ocean Strategy" the companies or manufacturers or retailers or sellers whosoever are most sensitive to price wins. It's like a cut-throat competition. It's like a bloodbath. In simple language its price war of logistics level rather than of prod-

uct level. So, the logistics of Indian mobile phone market is a classic example of the price war.

India has been accepted as a country that can assemble mobile phone handsets. Now the assemblers are moving one step further and are confidently executing processes to manufacture components such as batteries, chargers and other mobile accessories. The real challenge to Indian manufacturers is to do sales and marketing. They have to compete with deep-pocketed and established players in the mobile handset market. The incumbent players do their best to diminish the visibility of new mobile phones by new manufacturers through the channel of sales and marketing. It's not about features, quality, and capability. But the battleground is sales and marketing, logistics and display in retail stores as well as logistics in domain of online transaction. The big Chinese giants have one goal and it is to diminish the visibility of Indian brands at any cost.

Once the Indian brand establishes itself as a credible player in the mobile phone handset market, then it can be replicated in other electronic gadgets market. The Indian companies should come together for an exclusive retail outlet and also with an exclusive online platform for selling Indian brands. The operating cost can be bearded by the participating Indian companies and manufacturers or government support. If this exclusivity is missing then it's tough to compete on common platform of sales, whether it is any independent retailer or common big retail-like Croma or reliance digital or online platforms like Amazon or Flipkart. □□

Re-visiting Ancient Indian Art and Architecture

Between the fifth and seventh centuries we find a unified Gupta style of Buddhist art established in northern India, which we know especially from the images excavated at Sarnath, again in dynastic site. But the accounts left by Chinese pilgrims describe numerous monastery-shrines throughout Bihar, Bengal, and Orissa, many of which have long disappeared, though a few have been located and excavated. There were 100-foot-high stupas and multi-storied monasteries built of wood, brick, and stone; and each site was filled with images, large and small, cut in stone, modelled in terracotta or stucco, and cast in bronze. Many of them were, no doubt, intended as costly testimonials to personal piety, since 'multiplying images of the Buddha' was considered an act meritorious in itself. Among the excavated sites is the earliest of the great Buddhist universities, Nalanda in Bihar, which expanded later in a rather haphazard way. It consists of clustered courtyards and buildings of different patterns, including, of course, stupas, many of which were decorated with particularly fine stucco sculptures of Buddhas and Bodhisattvas.

Although the Chinese visitors recorded many flourishing Buddhist centres, they also recorded their dismay at the decline of Buddhism relative to Hinduism, the reasons for which are explained elsewhere. Even the Bodhi tree at Bodhi Gaya was cut down in about A.D. 600 by a Hindu king and the shrine converted to Hindu uses. Buddhism was fighting, so to speak, its last rearguard battle in most regions of India. In the ninth century the great Hindu monist philosopher Sankaracharya hastened the doctrinal defeat of Buddhism everywhere. But in one region of India, the north-east, including parts of Orissa, Buddhism flourished greatly under the patronage of the Pala Dynasty (c. 750-1150) and took on a new and fascinating lease of artistic life, partly in direct response to the Hindu challenge. Other Buddhist universities were founded, notably at Vikramasila, and enormous effort was devoted to the elaboration of school of philosophy, logic, ritu-



Fundamental pattern behind the beautiful complexities of Hindu temple is very simple but aesthetically superb and exquisite in its implementation.

Prof. Nandini Sinha Kapur



al, medicine, and magic – to which, incidentally, Hindus were also admitted. The scholars gathered together all the available branches of learning into a monumental synthesis based upon certain medical and yogic symbolisms usually called Tantric. The art was a direct reflection of this syncretic activity. It developed systematic groupings of ideal figures to symbolize the various elements and processes in 'Reality' and Enlightenment, all focused around a set of five differentiated Buddha-principles.

In India most of this art has disappeared. We know its character best from the still-surviving traditions based upon it which were transplanted directly into Nepal and Tibet (seventh century) and sustained by direct contact with the Pala universities. Altars were probably furnished with small bronzes, which could be arranged in symbolic patterns. There may well have been symbolic wall-paintings and hangings, prototypes of those which are still found in Tibet, Bhutan, and Sikkim, and were also painted on the walls in twelfth century Burmese Pagan. We have the testimony of the great eighth-century brick temple of Somapura (Paharpur) that architecture was used likewise to develop the symbolism of the Tantric cosmos. This joint imagery of man and world was transported during the eighth century into the Indianized kingdom of central Java, where its chief monument is Borobudur (c. 800). It is also virtually certain that continuously through this Pala period beautifully illuminated long palm-leaf manuscripts of Buddhist texts were made, the pages being bound between painted boards, both covers and pages being illu-

minated with figures from the Buddhist pantheon. It is probable that such sumptuous works were made actually as objects of reverence rather than mere reading matter. The earliest surviving example is dated just before, A.D. 1000; but many similar manuscripts of later date survive, especially in Nepal.

An alliance of Muslim invaders and Hindu sectarian interests eliminated even this Buddhism with its art from India by the early years of the thirteenth century, leaving only strong traces of its presence in later Bengali folk-styles.

Hindu art developed later than Buddhist art in India as a whole. The oldest, strictly brahmanical form of Hinduism demanded no permanent installation for its various sacrificial rituals. There is an enclosure at Besnagar in Madhya Pradesh, dated perhaps in the mid-second century B.C., where a named deity, Vasudeva, was worshipped. But the natural tendency of the Indian population has always been, since the remotest past, to adore and make offerings at any place in the countryside where the Divine seems to show its presence. Every village has a hallows-tree, a sacred ant-hill, or a holy spot marked by boulders; its inhabitants are aware of spiritual, often humanoid, beings haunting sacred places. Buddhism managed permanently to focus this sense of numen on the person of the Buddha, and extend it to the physical relics of himself and his saints enshrined in stupas. From these it was eventually transferred to images of the 'essential Buddha nature' indicated by such basically human examples.

Hinduism, however, seems to have made during the second cen-

tury A.D. a successful alliance with the Indian theory of kingship, whereby the meta-physical principal to which kings might appeal for supernatural patronage was awarded name and form as a deity. Only one of the major ancient Vedic gods, Surya, retained a central place for himself in later Hindu art as a dynastic deity. The overwhelmingly important gods of later art, to whom nearly all the major temples are dedicated, are Siva, Vishnu, and the Mother Goddess under her various names (e.g. Durga), of all of whom there are only traces in Vedic literature. The numerous much later medieval representations of Vedic deities appear as the consequence of self-conscious attempts to brahmanize the iconography of religious art. It is thus natural that the evolution of Hindu stone architecture and temple carving—which is all that remains to us from the centuries earlier than c. A.D. 1200—took place at scattered single sites which were each for a time the capital cities of royal dynasties, large and small, and which had probably long been sacred localities. All over the sub-continent there are these sites, many certainly having vanished without trace, at each of which some tens of temples were built and decorated over a century or two, dedicated by members of a royal family and their chief subjects. With the growth of the brahman's encyclopedias of collected legend, the Puranas, places especially sacred—those perhaps where major episodes in legend were supposed to have taken place—were also dignified with successive temple foundations, attracting pilgrims over a long period of time.

[Continued on page no. 34]

‘India in the Persianate Age’ review: The syncretic age of Persia in India

Richard Eaton, who teaches history at Arizona University, argues that India was never a self-contained stagnant civilisation as is often believed but one that evolved over centuries of intense engagement with other peoples and cultures. Starting from the conquest of Mahmud Ghazni to the exploits of Nadir Shah, Eaton reconstructs the most compelling but consequential historical accounts, from 1000 to 1765, which produced a hybridised composite civilisation that has sustained its distinct identity.

India in the Persianate Age defines these seven centuries as an epic period of engagement with other regions, especially the Persian, which had contributed to producing a rather harmonious society. It was the British who reduced it to the Hindu-Muslim binary, thereby inflicting a deep divide that has continued to dominate the socio-political discourse ever since.

In his brilliant exposition spanning the prolonged medieval period in history, Eaton questions the convention of seeing a diverse and vibrant culture through a religious lens. “Imagining geographical spaces through religion limits our understanding by imposing and justifying an ideology at the cost of ignoring its inherent richness.” The reading of history in terms of mutually exclusive religions has only helped one form of nationalism, however, at an enormous recurring cost to society. Decoupling history from such an assumption alone can provide an unbiased measure on acceptance of the political authority, notwithstanding a ruler’s own religion, by a socially, linguistically and religiously diverse Indian society.

What the colonial historians read as ‘Muslim conquest’ was indeed a period in history that had consolidated multiple ethnic identities like Rajputs, Marathas and Sikhs, and empowered them to define their terms of collaboration with the then rulers. Far from acknowledging it, the self-serving Anglophone historians sought



A historian questions the notion of seeing the vibrant and diverse culture of the subcontinent between 1000 and 1765 through a religious lens.

**Sudhirendar
Sharma**



to paint the entire period as despotic and unjust to lay unilateral claim on pulling India from centuries of so-called Muslim subjugation towards modernity. It is no less than a historical conspiracy to erase that part of history as 'dark and backward,' with the sinister aim of justifying the brutal suppression by the British as 'mild and equitable.' Curiously, the colonial takeover was not branded as a 'Christian conquest.'

Challenging the colonial claims on introducing India to modernity, the book provides a comprehensive account of the cultural exchanges between Sanskrit literary traditions and the Persian cosmopolitan outlook that led the Mughals to rationalise their empire by applying the secular outlook to the religious traditions of their subjects. Noticeable is the fact that both Sanskrit and Persian were not the

'language of place,' and consequently expanded over much of Asia not by force of arms but by emulation, and without any governing centre. This is a significant take-away from the book which provides a perfect backdrop to medieval India becoming the centre for the patronage of Persian literature and scholarship.

Biryani and a melting pot

What makes Eaton's assessment of the medieval history distinct and insightful is its treatment of the otherwise illustrious period on its own terms without today's biases. From architecture to science and from trade to cuisine, the assimilation of the Sanskrit universe with its Persianate counterpart is well evident. The persistence of several Persian words including hukm (God's command), langar (communal meal) and biryani (fla-

voured rice cuisine) in everyday usage signifies that it was a neutral language for daily correspondence and literary expression. Covering vast swathes of the Persian influence on the making of India, Eaton pays a fine tribute to the evolution of India as a compassionate civilisation.

Ambitious in its undertaking, India in the Persianate Age has enough to ruffle feathers of today's nationalists. It is a thick but immensely readable volume that elaborates the long-term process of cultural interaction and assimilation that is reflected in language, literature, attire, science, art, music, governance and warfare. It goes to the rich cultural traditions of India that those who came to conquer it, in the end, were conquered by it.

India in the Persianate Age; Richard M. Eaton, Allen Lane, 2009. □□

Sudhendra Sharma is an independent writer, researcher and academic.

[Continued from page no. 32]

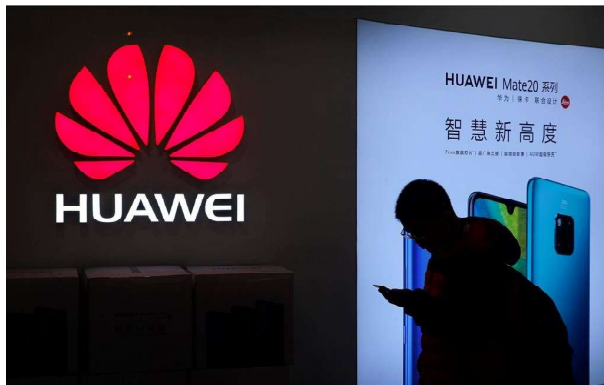
Re-visiting Ancient Indian Art ...

The fundamental pattern behind the beautiful complexities of the Hindu temple is very simple, evolving naturally from the primitive hallows or sacred place. The sacred numinous object stands within an enclosure and a cell. The object is often a Siva lingam (phallic emblem); it can also be a sculptural image, either replacing an older more primitive hallows, or ceremonially carved or cast, and dedicated as a new dwelling for the sacred. The cell is raised on a plinth and to it may be appended extra feature, the commonest being a porch or portico, and a decorated door-frame. Then came an ambulatory, a crowning tower, one or more aligned approach-halls, one

of which may be especially for dancing, and perhaps an encircling layout of lesser cells or even miniature temples. This last feature, in south India, might become a fantastically elaborate sequence of concentric enclosures with towering gateways. Each temple is conceived, as the Buddhist stupa was, as 'the axis of the world', symbolically transformed into the mythical Mount Meru, around which are slung like garlands the heavens and the earth. The heavens are represented on the exterior of developed temples by bands of sculpture containing icons of gods and other lesser superhuman creatures which popular legend ascribes to its heaven. Among these are the

famous erotic carvings, which are images of the post-mortem delights awarded by celestial girls called apsaras to the spirits of heroes and sages. These heaven-bands are at the level of the raised interior floor, thus converting it into an analogue of the 'courts of heaven', which are naturally adorned with ornamental designs reflecting all that the heart can desire. The principal image in its cell-called 'womb-house'—occupies at this level the place of the enthroned king in his court, to whom only the officiating Brahman has direct access. It is 'dressed', 'fed', and 'entertained', just as a king might be. From it the 'originating energy' of the cosmos is felt to flow out through the fabric of the temple into the everyday world around its food. □□

Don't allow Chinese firm Huawei in 5G trials: SJM



Urging Prime Minister Narendra Modi to intervene, Swadeshi Jagran Manch (SJM) said Chinese firm Huawei should not be allocated airwaves for 5G network trials to ensure that India's security interests are not compromised.

In a letter to Modi, the outfit claimed that there are ample evidence that lead to suspicion of Chinese companies indulging in exfiltrating sensitive information from, devices and equipment that it exports.

The government has indicated that it will not bar any equipment suppliers, such as China's Huawei, in the upcoming trials for 5G, with Telecom Minister Ravi Shankar Prasad on Monday saying airwaves will be allocated to all telecom service providers for conducting trials of super-fast speed 5G networks.

SJM's co-convenor Ashwani Mahajan said the organisation has made representations to the department of telecommunications cautioning and alerting it of "various threats Huawei brings in".

Emphasising that its words of caution were "either over-ruled or were deliberately ignored", the SJM said it requests Prime Minister Narendra Modi and his office to intervene as India's security interests can't be compromised in this digital era.

Noting that 'Chinese information warfare doctrine' is the core of its military strategy, Mahajan said in the letter: "We request you to immediately restrict Huawei and other Chinese firms from operating in the Indian market and conducting 5G trials."

He said the SJM understands that 5G is an important leap in technology and India must not miss this. But this still can be achieved by promoting domestic and indigenous players.

The SJM said Huawei has been "banned in several countries" as more and more nations realise the

full implications of having Huawei and Chinese companies in their communication networks.

"There are ample evidence that lead to suspicion of Chinese companies indulging in the exfiltrating sensitive information from, devices and equipment that it exports.

"Many of these countries suspect that Chinese companies indulge in stealing massive amounts of military and technological secrets through cyber-hacking from various countries," Mahajan claimed.

<https://economictimes.indiatimes.com/industry/telecom/dont-allow-chinese-firm-huawei-in-5g-trials-sjm-requests-pm/articleshow/73048001.cms>

Data is national asset, it must be protected; digital nationalism need of the hour: SJM

Swadeshi Jagran Manch (SJM) said that Indian alternatives of payment gateways, social media platforms and service aggregators must be supported and promoted as data sovereignty and data nationalism are the need of the hour. In a letter SJM described the data generated in the country as a "national asset" and said it should be conserved properly and India must refrain from negotiating data sovereignty at bilateral and multilateral trade talks.



"Data should not only be stored within geographical limits of India, but must also be computed here. Data is a national asset; it may be commercial, strategic or even elementary. Data must be protected," Mahajan said. Emphasising on the need for data sovereignty, the SJM said digital nationalism is the need of the hour and Indian alternatives for payment gateways, social media platforms, service aggregators must be supported and promoted.

The SJM also advocated India's own computer operating system and said it needs to be developed at the earliest. The government must identify the apps which are gathering unnecessary data and seeking more than required permissions, SJM said and demanded

punitive action against such offenders.

<https://economictimes.indiatimes.com/news/politics-and-nation/data-is-national-asset-it-must-be-protected-digital-nationalism-need-of-the-hour-sjm/articleshow/72427342.cms>

Air India : Divestment of the largest carrier out of India



Air India is owned by a government-owned enterprise, headquartered in New Delhi. It has an 18.6% market share and is the largest carrier out of India. In 2017, a committee has been set up for the privatization of Air India. The government has already infused Rs. 29,000 crore since 2012 while trying for the survival of AirIndia under the Turn Around Plan (TAP). The company's working capital and net debt have swelled from 2018 by 6.1%. Even the operating expenses saw a rise as high as 24% y-o-y from 2018 which is approximately Rs 30,194.06 crore.

The government failed to raise money for Air India last year as they planned to hold a 24% stake in Air India. Now, they have decided to sell the entire stake in AirIndia Ltd., Air India Express(subsidiary) and AISATS in order to re-initiate the strategic divestment of AirIndia. AISATS provides ground and cargo handling services and is a joint venture between Air India and Singapore Terminal Services.

Privatization will help provide the government with an easy exit from this loss-making business. In order to operate the airlines, it is necessary to go for divestment as the company requires cash. In order to reduce the debt burden, the government transferred approximately Rs. 29,464 crore to Air India Assets Holding Ltd. (AIAHL) through a Special Purpose Vehicle (SPV) route.

The company plans to invite Express of Interest (EOI) wherein a virtual data room will be provided in order to provide confidentiality. A draft Share Purchase Agreement (SPA) is issued which contains details regarding the liabilities, their benefits and do's and don'ts. They can raise concerns about unclear liabilities not stated in the SPA in the virtual data room

provided. Though some clearances are needed to be taken care of.

Strategic divestment of public sector enterprises is opposed by Swadeshi Jagran Manch as it is against the national interest. They believe that AirIndia at this hour of time requires professional management and restructuring rather than privatization. It is believed that restructuring the debt and assets will reduce Air India's liabilities and help the company earn profits.

Due to the uncertainty and non-clarity on the privatization of Air India, the employees have planned to stall the process either by going on a strike or taking the NCLT route. Currently, the government is planning to sell AirIndia to a private sector player.

<https://www.headlinesoftoday.com/business/air-india-divestment-of-the-largest-carrier-out-of-india.html>

Rice exporters seek ban on pesticides unregistered in the US, EU

Rice exporters in India, largest producer of premium rice, have sought a ban on pesticides that are not registered in foreign markets in a bid to shore up exports to Europe and the US. India's rice export to these regions has plunged by a third in 2018-19 compared to the previous year with crop samples failing to meet stringent chemical residue norms. For this, the exporters' lobby in India, the largest player in global rice trade, has urged the commerce and industry ministry to ensure that pesticides used in the cultivation of rice are registered in Europe and the US too.

India's rice export to Europe has plunged by 40 per cent in 2018-19 over the issue of maximum residue level (MRL), and the market is likely to shrink further this year as rice samples has failed the mandatory testing. India had shipped about 10% of its total consignments of basmati to Europe till 2017.

"There are six pesticides that are not even registered in India, but there residue is found in rice in India. These chemicals have no fixed maximum residue level set by Central Insecticide Board and Registration Committee," Ashok Sethi, director Punjab Rice Millers and Exporters Association, said.

These pesticides are ethamidophos, profenofos, prothioconazole, tebufenozide, thiophanate-m and Triazophos. "These pesticides need to be banned till the manufacturers register their products in India as well as export destinations," Sethi said.

<https://economictimes.indiatimes.com/news/economy/agriculture/rice-exporters-seek-ban-on-pesticides-unregistered-in-the-us-en/articleshow/72904581.cms>

Personal Data Of 267Mn Facebook Users Leaked Online



A database containing personal details of more than 267 million Facebook users was allegedly left exposed on the web, according to a report from Britain-based tech research firm Comparitech and security researcher Bob Diachenko.

Diachenko believes the trove of data -- including Facebook user IDs, phone numbers and names -- is most likely the result of an illegal scraping operation or Facebook API abuse by criminals in Vietnam.

"Scraping" is a term used to describe a process in which automated bots quickly sift through large numbers of web pages, copying data from each one into a database. The information contained in the database could be used to conduct large-scale SMS spam and phishing campaigns, among other threats to end users, said the report on Thursday, adding that most of the affected users were from the US.

The revelations come at a time when Facebook is trying to regain the trust of its users with the protection of their data following the Cambridge Analytica scandal that badly hit its reputation. More than one and a half years after the Cambridge Analytica scandal first became public, the US Federal Trade Commission (FTC) earlier this month said that the now-defunct British data analytics and consulting company engaged in deceptive practices to harvest personal information from tens of millions of Facebook users for voter profiling and targeting. After discovering that personal details of 267 million Facebook users were exposed online, Diachenko notified the Internet service provider managing the IP address of the server so that access could be removed.

However, the data was also posted to a hacker forum as a download, said the security researcher.

Facebook IDs are unique, public numbers associated with specific accounts, which can be used to

discern an account's username and other profile info. While how criminals obtained the user IDs and phone numbers are not entirely clear, one possibility is that the data was stolen from Facebook's developer API before the company restricted access to phone numbers in 2018. Facebook's API is used by app developers to add social context to their applications by accessing users' profiles, friends list, groups, photos and event data. Phone numbers were available to third-party developers prior to 2018.

<https://www.thequint.com/tech-and-auto/tech-news/personal-data-of-267-million-facebook-users-leaked-online-report>

Floor price for yellow pea imports to benefit farmers

The government has made import of yellow peas (matar), the cheapest pulse in the country, costlier by imposing a minimum price of Rs 200, along with the existing 50 per cent import duty to ensure that the farmers get remunerative prices for crops that will be harvested from January. A day after the government notification, prices of peas jumped by 20 per cent to Rs 55 a kg, while chana rose 4 per cent to Rs 49 a kg in the Delhi's wholesale market. Snacks makers and restaurants prefer the less expensive yellow peas over chana. The government had earlier restricted import of yellow peas, but importers got a stay order from the Jaipur High Court in mid-2019 and shipped in almost 5 lakh tonnes.

The government amended the import policy for the import of peas. "Import of peas shall be subject to an annual quota of 1.5 lakh tonne as per procedure notified by DGFT and it will be subject to minimum import price (MIP) of Rs 200 and above CIF per kilogram," it said in a notification. The import will be allowed only through Kolkata sea port, it said. This restriction shall not apply to the government import commitments under any bilateral or regional agreement or memorandum of understanding, it added. The MIP will be applicable for import of all va-



ieties and categories of peas such as yellow peas, green peas, dun peas and kasper peas.

Yellow peas from Ukraine, Canada and Russia are gaining popularity. "Even with an import duty of 50 per cent, more than five lakh tonne of the peas has been imported from April till date.

Now with upwardly revised MIP and additional duty, yellow peas will cost Rs 300 a kg at the port, which will be an unviable proposition for the traders. This is good news for farmers who will be harvesting chana and tur by next month," said Vivek Agrawal, a commodity broker with Maharashtra based JLV Agro.

<https://economictimes.indiatimes.com/markets/commodities/news/floor-price-for-yellow-pea-imports-to-benefit-farmers/articleshow/72895170.cms?from=mdr>

Twin Test: BrahMos missile gives India air force, army unique strike capability



In a twin success today, India successively tested the BrahMos supersonic cruise missile from land and air platforms. The successful tests got even sweeter as a maximum number of components on the missiles was of Indian origin.

The first test took place from a land-based mobile launcher and this missile had indigenous airframe, fuel management system and an indigenously designed seeker. This test was received enthusiastically, as this gave a fresh impetus to the 'make in India' initiative of the Narendra Modi government.

The second launch was carried out from an Indian Air Force's (IAF's) Su-30 MKI combat aircraft against a sea target. The test from the Sukhoi jet, conducted in an user configuration, re-validated the ship-attack capability of the India-Russia joint venture missile. During the launch, the missile was gravity dropped from the air combat platform's fuselage and the two-stage weapon's engine fired up.

The missile straight away propelled towards the intended target positioned at sea, piercing the same with pinpoint accuracy, BrahMos Aerospace Private

Limited said in a statement here.

"With this test, the IAF now has a world record of direct hits on targets in all its launches from air against sea and land targets establishing itself as the prime user of the world's most powerful conventional airborne weapon to attack targets on sea and land."

The IAF said in a separate statement that the launch from the aircraft was smooth and the missile followed the desired trajectory and achieved a direct hit on the sea target, off Odisha coast. The firing was successfully undertaken with dedicated support from the Indian Navy.

<https://defence.capital/2019/12/17/twin-tests-brahmos-missile-gives-india-air-force-army-unique-strike-capability/>

11.4 lakh transactions settled in first 8 hrs after RBI allows NEFT 24X7



Around 11.40 lakh transactions were settled in the first eight hours after widely-used NEFT was made operational on 24X7 basis, the RBI said. The RBI operationalised National Electronic Funds Transfer (NEFT) System 24X7. "This ensures availability of anytime electronic funds transfer," it said. The RBI now joins an elite club of countries having payment systems which enable round-the-clock funds transfer and settlement of any value.

"Between 12:00 am and 8:00 am this morning, NEFT settled over 11.40 lakh transactions," it said.

The RBI said making NEFT available 24x7 is part of its vision of empowering every Indian with access to a bouquet of e-payment options. In order to give further impetus to digital retail payments, banks have been asked to levy any charges from their savings bank account holders for funds transfers done through NEFT system which are initiated online from January 1, 2020. Online transactions include internet banking and through mobile apps of banks.

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<https://www.livemint.com/industry/banking/11-4-lakh-transactions-settled-in-first-8-hours-after-rbi-allows-neft-24x7-11576508679308.html>

Swadeshi Activities

Prant Sammelan, Odisha

Pictorial Glimpses



District Vichar Varga, Jamshedpur

Pictorial Glimpses



Babu Genu Balidan Divas

Pictorial Glimpses



Baghpat, UP



Batala, Punjab



Delhi



Central Office, Delhi



Nagpur, Maharashtra



Muzaffar Nagar, UP

Swadeshi Activities

Dattopant Thengadi Janam Shatabdi Varsh (2019-20)

Pictorial Glimpses



Alwar, Rajasthan



Gwalior, Madhya Pradesh



Delhi



Bhilwara, Raj.



Kashi



Moradabad, U.P.

