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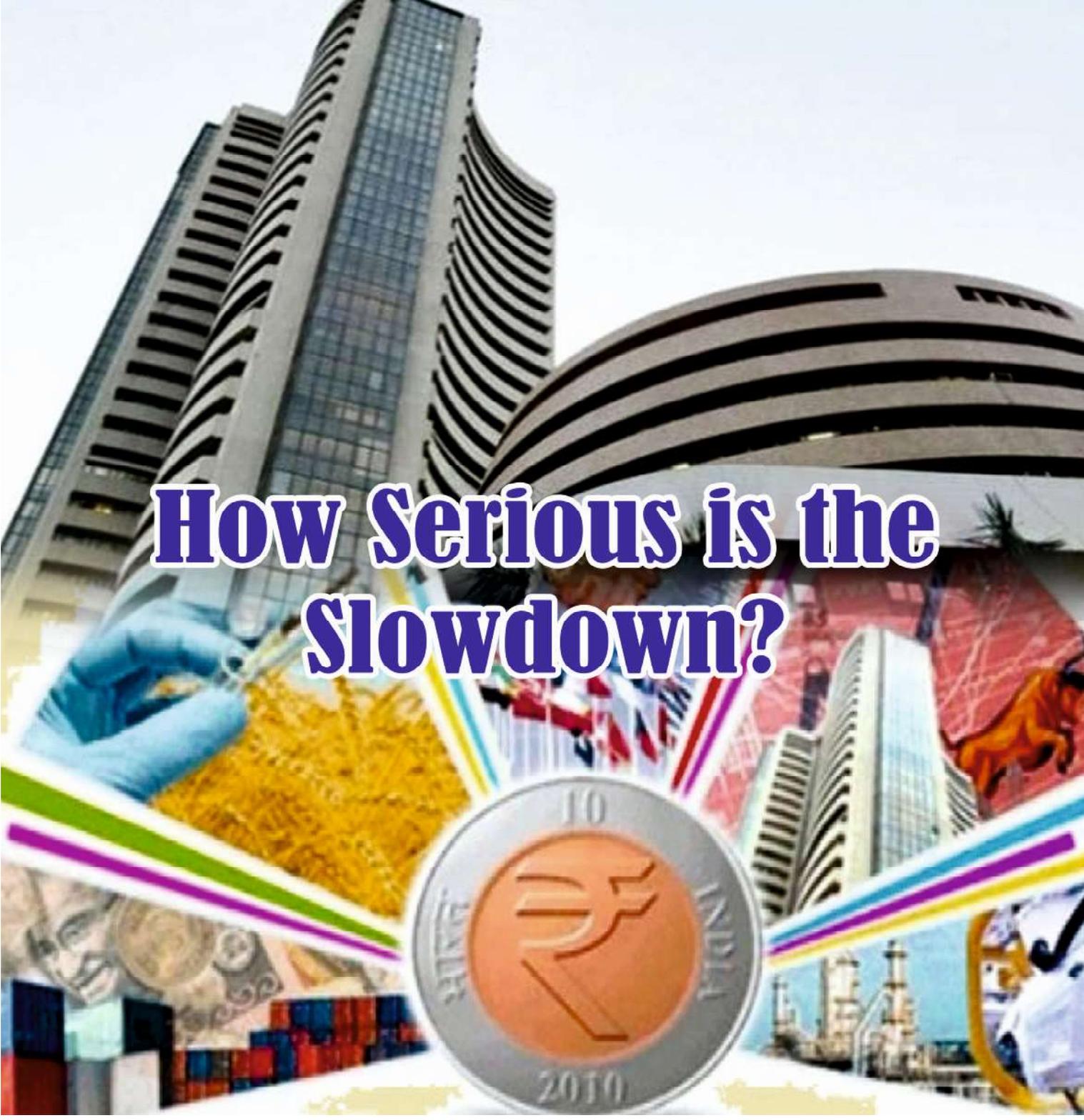
▶ ANALYSIS

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Swadeshi

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SEPTEMBER 2019



How Serious is the Slowdown?

Swadeshi Activities

Protest against China Goods & Services

Pictorial Glimpses



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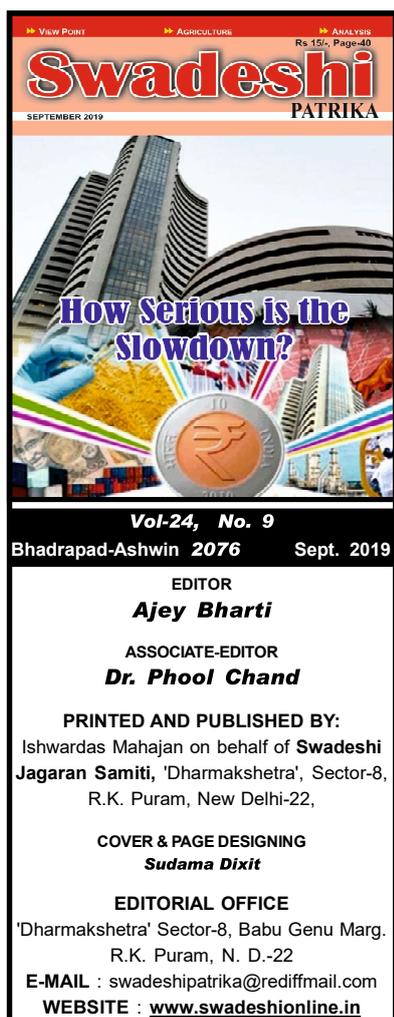


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Meditation is energy up-gradation

May be one wants to know about the meditation. Let's do it to know it. So get ready to meditate.

During the practice, let own-self away from all worldly affairs. Why? Because one can deal with all these affairs, all these this & that's, later on, after the meditation and if meditation really works, then in more energetic way one can live with all worldly affairs. And also, what you are planning to do with all these affairs, by coming out right now, nothing. May be one is looking for some reasons to meditate, but the truth is no one can meditate with a reason, and the another truth is there are many beautiful consequences of meditation. Meditation happens with in if the reasons are absent there. Its consequences are complete life package, so don't look for a part in it, it influences every part of the life. After all its energy up-gradation and the energy is a very connected thing.

So we have to jump and drown ourselves in meditation without looking for any reason or consequence in it. And that's the beginning, here is the spirit starts rising.

What should be the time, at which we are beginning? Drop it, don't think about it. What should be the duration? When it ends? Again drop it. Just begin. No matter, from how much time we are in meditation, let's meditate long-n-long, on-n-on, deep-in-deep. Meditation always works when one stay in it. Do some more, more & more. When mind says it's enough done, after every this phase, do some more, now feel it, we are entering in a new energy zone. Be absolutely here, right now, this moment. Let this spirit cultivate with in.

Which method will work, surely a method to start is a cerebral affair. Its fine, actually one is asking what to do initially? With which one can begin? Actually one can start with any method, even in any way. Later let it happen, whichever way it goes, let it be, only then the opted method will work, any random way will work. So let the flow flows and stay in it.

That's it. "I love the little light in this peace-y darkness, that's my meditation."

– Vineet, Life friend, Meditation practitioner & Healer (vineet31@gmail.com)

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Quote-Unquote



Shri Arun Jaitley possessed a unique ability of discharging the most onerous responsibility with poise, passion and studied understanding.

Ram Nath Kovind
President, Bharat



Fitness is not a word, but a necessary condition of a healthy and prosperous life.

Narendra Modi
Prime Minister, Bharat



The welfare of the poor and farmers is embedded in every decision of the Modi government.

Amit Shah
Home Affair Minister, Bharat



Pakistan has no Locus Standi in Kashmir. Whereas he has held illegal possession over the entire POK including Gilgit-Baltistan.

Rajnath Singh
Defence Minister, Bharat

Controversy Without A Cause

After a long spell of controversy over the transfer of RBI's reserves to the public exchequer, started with then Deputy Governor of RBI, Viral Acharya, is almost put at rest by the transfer of rupees 1.76 lakh crores from Reserve Bank of India (RBI) to the central government. This has been done as per the resolution by the RBI's Board of Directors on August 26, 2019, based on Bimal Jalan panel. Viral Acharya at that point of time said that it would be highly dangerous to transfer RBI's reserves to the government. After Viral Acharya's statement, media and the opposition parties started raising questions on centre's righteousness in seeking transfer of RBI's reserves.

In this context a pertinent question arises that who has the right over the profits or accumulated profit, that is, reserves of the RBI. As per RBI Act, RBI was to create a Reserve Fund of rupees 5 crores. Board of Directors of the RBI has the power to decide about Balance Sheet of RBI. However, the board has to take approval of the central government for the same. Some years ago, the RBI's board, under Section 47 of RBI Act, created an 'Operational Reserve and Revaluation Account' with an objective to take care of upheavals in the value of its assets and to fulfill its unforeseen needs. By June 2018, the reserves with RBI had reached rupees 9.63 lakh crores, which was nearly 28 percent of its total assets. No Central Bank in the world has so much of reserves fund.

It is important to understand that Central Bank of any country is no ordinary bank. Its credit risk is negligible. Therefore, requirement of reserves for a Central Bank is almost negligible. Therefore we cannot apply norms set for commercial banks, in keeping reserves for capital requirements for Central Banks. According to former chief economist of IMF, Prof Olivier Blanchard Central banks can be run on even negative equity capital. Moreover, for maintaining reserves, kept by RBI, approval has not been taken from the central government, nor the RBI Board has made any framework for equity capital of RBI. As per RBI Act, the Reserve Bank needs reserves of only rupees 5 crores. It was expected from RBI board to make regulations governing the manner and form in which the Balance Sheet of the Bank shall be drawn up.

World over the profits of central banks are transferred to their respective governments. Thus we can conclude that RBI has no right over its profits/reserves. However, since huge reserves have been built over the years (though without statutory sanction), sudden transfer of these reserves, even partially, may cause problems. Therefore, we can have discussion over the time line and process of transfer. We need to understand that at the first instance, RBI does not need to keep these huge reserves; and secondly they don't have the right to withhold its profits from the government, as society has the right over these accumulated profits.

Though, at that point of time Deputy Governor Viral Acharya had complained that if these reserves were transferred to the government, the same may prove to be dangerous, there were hardly any takers of his arguments. He had even given the example of Argentina in this regards. His statement was not taken seriously, because there is huge difference between India and Argentina so far as financial management of the two countries is concerned. Argentina had defaulted several times in its repayment of foreign loans. Its credit rating is very low. It was believed that Viral Acharya had tacit support from then Governor of RBI Urjit Patel. However, Viral Acharya's statements were not appreciated by many people; as such statements defame the country internationally.

Even as per the law of the land only central government owns the right over these reserves and profits of the RBI. Moreover RBI does not have the central government's sanction to create and maintain these reserves. RBI board has also failed to make rules for utilisation of these reserves. Annual report of RBI 2015 had stated that RBI Board will make the framework for equity capital, which was not done by the board.

When this debate about transfer of RBI surplus to the central government, turned ugly, a six member committee was appointed on December 26, 2018, under former RBI Governor Bimal Jalan, to review the economic capital framework (ECF) for the RBI. The finance ministry wanted the central bank to follow global best practices and transfer surpluses to the government. It is notable that the finance ministry was of the view that the surplus to the extent of 28 percent of the gross assets maintained by the RBI was well above the global norm of 14 percent.

Now when the RBI Board has transferred Rs. 1.76 lakh crores to the government which include two components, Rs 1.23 lakh crores of surpluses for the year 2018-19 and an additional Rs 52,637 crores, as per the revised economic capital framework recommended by the Bimal Jalan committee, debate is settled. However, the debate continues in media and the political parties about the transfer of funds, and they continue to create impression, as if government has looted RBI of their reserves. This debate hardly has any substance, as those engaged in this debate are either unaware of the realities or they don't want to know the same.

How Serious is the Slowdown?



Though the seriousness of the slowdown of Indian economy is yet to be ascertained, the news of the same has been flashing in the media for some time. We understand that given the distinction of being fastest growing large economy of the world, any talk of slowdown in the economy disturbs the sentiments. The sentiments get even more hurt, when somebody from the policy making makes an unsubstantiated statement about the problems of the economy. Notably in its recent monetary policy review, the Reserve Bank has reduced the growth target for the year 2019-20

from 7.0 percent to 6.9 percent. Tax receipts in the year 2018-19 were also lower than expected. Naturally, this led to a reduction in government spending.



The government will also have to streamline its machinery. There is a significant amount of pending bills of SME's, a huge amount of GST refunds is also lingering which is causing working capital woes for small and other industries.

Dr. Ashwani Mahajan

Slowdown is a Global Phenomenon

Minister of Finance, Nirmala Sitharaman in her press conference on August 23, 2019, though conceding that GDP growth would be lower than expected, stated categorically that slowdown is a global phenomenon not specific to India alone. In US whereas in first quarter of this year (January to March) GDP growth was 3.1 percent, it declined to 2.1 percent in the second quarter (April to June). China's growth rate declined from 6.4 percent in the first quarter to 6.2 percent in the second quarter. The growth rate in European Union receded from 0.4 percent in first quarter to 0.2 percent in the second quarter of this year. In today's global world economies are not insulated from the rest of the world. Rising oil prices have sparked this slowdown, it is believed.

Slowdown Overstated

There are many parameters to judge the pace of an economy. One such criteria is the demand for the consumer goods. If we look at the sales figures of big Fast Moving Consumer Goods (FMCGs) companies, we note that Hindustan Lever recorded 7 percent growth in their sales during last quarter (April-June). Marico Company recorded a growth of 5 percent, Dabur India 11 percent, Colgate Palmolive 4 percent and Nestle 11 percent. In the same quarter Big Bazar recorded a growth of 8 percent in their sales. There has been 16.6 percent in the growth of bank loans. In the same period demand for air conditioners increased by 5 percent, while demand for refrigerators increased by 11 percent. Any sensible analysis would not indicate a serious slowdown in the economy.

Automobile Sector is in Trouble

This is true that there has been a significant decline in the demand for automobiles. There has been a fall in demand for both commercial and private vehicles. There has been a decline in the demand for passenger vehicles in every month in the last quarter. For instance demand for passenger vehicles declined by 17.1 percent, 20.6 percent and 17.5 percent in the months of April, May and June respectively. Demand for commercial vehicles declined by 6 percent, 10 percent and 12.3 percent in the months of April, May and June respectively. We find similar situation in three wheelers and two wheelers. As a result of increasing inventories in the automobile sector, production has started declining and manufacturing units have started laying off of their workers.

Is Recession the Reason for Woes of Automobile Sector?

We have to understand that while the slowdown in exports is due to international reasons, the decrease in demand for automobiles is due to domestic reasons. But it's definitely not recession. Banking and financing is behind the woes of automobile sector. Significantly, the Indian banking sector has been going through the problems of NPA for some time. This problem had a major impact on loans by banks. On the other hand NBFCs i.e. non-banking financial companies are also going through a huge crisis. Following the 'ILFS' scam, the NBFC sector has come under severe stress. The lending capacity of these companies has not only decreased, but the banks are also reluctant to give loans to

them. So these companies which were giving loans to consumers in large numbers to buy durable goods, including automobiles, are now unable to serve them. This problem has also affected the lending to small scale industries.

Recession in the economy is measured by demand, which includes consumer demand, demand for homes, demand for vehicles, investment demand and government demand. However, on none of these criterion one can certainly say that recession has set in the economy. If we look at the demand figures in the country, it seems that there has been some slowdown in demand generally, however, slowdown is not uniform. Though, demand for vehicles has actually decreased, consumer demand has not decreased, but its growth rate has definitely come down. If we look at the demand for houses, growth in housing loans by banks has accelerated and they are now giving more loans for real estate than before. If we look at investment, the investment is happening but rate of capital formation has nearly stagnated at 28-29 percent and is much lower than the peak reached in 2010-11 at 36.5 percent. Government spending is also not increasing due to extremely slow growth of revenue.

What is the solution?

As usual the corporate world is putting pressure on the government to arrange a bailout package or stimulus. Auto sector is also demanding subsidy and tax exemptions. But due to the limitations of the public exchequer, this will not be a right step. The need of the hour is to increase the demand for durable consumer goods,

houses and vehicles. Banks can play a major role for this. Bank credit has been growing at a very slow pace for quite some time. Reserve Bank can help increase liquidity of banks by measures under its control. Although the Repo Rate has been reduced by 1.1 percent in the last one year and it is likely to decrease further, banks are reluctant to pass on the benefit of lower interest to customers. By reducing interest rates, we can increase all kinds of demand. On the other hand, to increase government expenditure, we need to increase revenue. Though, increasing revenue may be a good thing, however we have seen attempts to increase tax on foreign and domestic institutional investors, has not gone well with these institutions. Therefore, government even contemplated to raise foreign loans through sovereign bonds, which may again is confronted with huge risk. Under the current scenario of recession, if the government increases the fiscal deficit a little, then there is no special danger.

Government system needs to be streamlined

The government will also have to streamline its machinery. There is a significant amount of pending bills of SME's, a huge amount of GST refunds is also lingering which is causing working capital woes for small and other industries. Clearing these dues by the government can significantly increase liquidity in the system. Many foreign telecom, software and e commerce companies are avoiding paying taxes by under reporting their businesses in India. For this, the government will have to streamline its systems so that legitimate revenues be collected from these companies. □□

Structural slowdown and home market demand



Many economists are now saying what I have been arguing for some time — the present economic slowdown is structural. It is not caused by a downturn in the business cycle. Therefore, countercyclical policies are not appropriate to address the slowdown. While this is immediately clarifying for policy-makers, a structural slowdown can be variously interpreted depending on one's analytical framework and understanding of the ground situation.

For some, “structural” means that sectors that have contributed to growth in the past face sectorspecific impediments. Addressing these would involve

sector-level policy interventions, for example, addressing questions of credit access or correcting adverse policies. This is currently the discussion about the automobile sector, for example.

At the macro level, a structural slowdown is typically seen as a supply-side problem. Institutional or other impediments to investment are identified, and corrective actions are undertaken. So, economists advocate factor market (such as land and labour market), financial market (credit or capital market) and regulatory reforms to address the situation. The question of demand deficiency is seen as a cyclical phenomenon.

However, this view has only gathered prominence since the rise to dominance of supply-side economics and has, oddly, persisted even when such dominance has globally withered since 2008. Explicating the structural demand problem is important to address the contemporary India-specific economic situation¹.

I have previously argued² that the Indian economy, since 1991, has grown largely by meeting the consumption demands of the top 10 per cent to 15 per cent of the Indian population. This is reflected in the fact that “leading indicators” of Indian economic growth are largely about what these people consume — automobiles, FMCG, consumer durables, financial services, etc.

Post 1991, there was a shift in relative prices to facilitate this growth. Here's a clarifying illustration. My salary as a young college lecturer in 1988 was ~36,000 per annum. The cheapest car cost Rs. 1,50,000 (four years' salary), an air conditioner ~20,000 (seven months' salary), and a Bombay-Delhi air ticket Rs. 3,000 (one month's salary). Today, the same job earns Rs. 7,50,000 per annum. The same goods can now be purchased with six months', 10 days', and one day's salary, respectively.



Explaining the problem of structural demand is central to understand the contemporary India-specific economic situation.
Rathin Roy

This remarkable shift in relative prices fuelled domestic demand. Private investment responded to this spurt. This led to a virtuous cycle of growth with the production structure shifting towards capitalintensive goods consumed by the top 15 per cent. This was buffeted by welfare interventions (like MGNREGS) and a middle-class housing boom, which bolstered construction employment. Exports and agricultural performance, occasionally, complemented domestic demand. High growth expanded fiscal space, which was used to provide universal merit goods and subsidised food, reducing poverty.

This model is unlikely to sustain in the medium term but the current slowdown indicates that its limits seem to have impacted the economy sooner. The demand of the top income deciles is satiating but those earning less (one to three times the minimum wage) are not able to afford the things that the “leading indicators” measure. Sectors that have hitherto been the engine of growth are now plateauing. But investment is depressed because it continues to respond to the demand situation in these sectors. Other sectors are not picking up the slack despite there being latent demand. This is compounded by poor agricultural performance. Exports, and increased public investment, are typically proposed to solve a structural demand problem. But India’s growth story is not export-led.

Exports complement domestic demand but never have been the engine of Indian growth. If this continues, then the structural problem will not go away. Public investment is constrained by limited do-

The cornerstone of growth policy should be to harness the demand at affordable prices of those earning at least the minimum wage.

mestic financial savings. About 65 per cent of the Centre’s fiscal deficit is used to finance consumption expenditure. Tax buoyancies cannot realistically be expected to increase sharply when there is a growth slowdown.

Faced with a structural demand problem, the cornerstone of growth policy should be to harness the demand at affordable prices of those earning at least the minimum wage.

Rural India is treated as a place where we solve the food problem, with the question of income and demand being relegated to residual status. In addition, growth in rural incomes (including, but not limited to, doubling of farmers’ income) needs more macroeconomic attention.

Affordable housing is another sector where the private sector could profitably increase economic activity and employment, with demand for homes that those earning the minimum wage can afford being the focus, rather than middle-class homes in suburban conurbations.

We make clothing in India for the rich but we import a lot of clothing for those earning the minimum wage from Bangladesh and Vietnam. Making the textile sector

competitive to reduce net imports from such countries would provide a powerful demand stimulus to growth and employment.

Health and education are also areas in which there is latent demand from a much wider base than 20 years ago. The rich now increasingly resort to health and education imports and so the business model based on their demand is failing. A structural shift to meet the demand for affordable health and education of reasonable quality for those earning the minimum wage would increase both economic activity and employment. The current business model fails to meet this demand.

In my next column, I will discuss macroeconomic policies that can be considered to address the deleterious short-term consequences of the slowdown, but in the medium term, we have to address the structural demand problem if growth is to be inclusive and sustainable. Supply-side constraints are very real but need to be addressed with the demand constraint in mind.

1. Sukhamoy Chakravarty drew attention to the possibility of a structural demand constraint in 1979 (“On the Question of Home Market and Prospects for Indian Growth”, EPW, August; For an analytical exposition see Taylor L and Bacha, E 1976 “A First Growth Model For Belindia”, Quarterly Journal of Economics)
2. Business Standard: Piketty and the middle income trap (August 9, 2018); A common economic programme for India (May 3, 2019) □□

The writer is director, National Institute of Public Finance and Policy. Views are personal.

Monsanto's Roundup, a masqueraded monster



On July 26, a panel discussion was organised by Swadeshi Jagran Manch and change.org on the impact of glyphosate (whose trade name is Monsanto's Roundup). There was unanimity that there should be a ban on Glyphosate in India.
Vandana Shiva

On July 26, a panel discussion was organised by Swadeshi Jagran Manch and change.org on the impact of glyphosate (whose trade name is Monsanto's Roundup). There was unanimity that there should be a ban on Glyphosate in India.

Around 1,12,000 people have already signed the change.org petition calling for a ban. On August 9, the day we told the British to 'Quit India', farmers across the country will tell Monsanto to Quit India, with its Bt Cotton, its Ht Bt Cotton that is resistant to Roundup, and its Roundup.

We started Monsanto Quit India movement in 1998 when Monsanto introduced Bt

cotton illegally in India, without approval of the Genetic Engineering Approval Committee which is the only body that can approve imports, exports, open field trials, and commercial releases.

Just as Monsanto introduced Bt cotton illegally in 1998 through large scale open field trials in 22 locations, Monsanto's Roundup Ready Bt Cotton has been spread illegally. Roundup itself is illegal on India's farms. Its use is only been approved in tea gardens and non crop land.

Preventing illegal activities is the duty of government. The government must immediately round up Roundup because of its illegality. There are many reasons why it should not be approved.

Firstly, it is an assault on the foundations of India's ecological civilisation based on diversity. We work in harmony with biodiversity, and through biodiversity we produce more nutrition. As Navdanya's report "Health Per Acre" has shown, by conserving biodiversity we can feed two times India's population.

We pray "Sarve Bhavatu Sukhina" (May all beings be happy). This includes the biodiversity that thrives in our fields, the nutritious uncultivated edibles like Bathua (Chenopodium album) and Chaulai (Amaranth), medicinal plants like Bhuiamla (Phyllanthus Niruri) which heals the liver and is a cure for jaundice and hepatitis, and grass for our animals.

It also includes the biodiversity of mixed cropping - of mustard with chana or wheat, of cotton with jowar and tur. All scientific literature shows that biodiversity and mixed cropping have a higher 'land equivalence ratio.'

That is we get more output of produce per acre when we mix crops than when we grow monocultures. Navdanya's metric of nutrition per acre measures Biodiversity Based Productivity, instead of the reductionist "yield" of one commodity from a chemical monoculture.

This is the principle Sir Albert Howard learnt from Indian farming and spread across the world as organic farming.

As he writes in the Agricultural Testament, "Mixed crops are the rule. In this respect the cultivators of the Orient have followed nature's method as seen in the primeval forest. Mixed cropping is perhaps most universal when the cereal crop is the main constituent.

Crops like millets, wheat, barley, and maize are mixed with an appropriate subsidiary pulse, sometimes a species that ripens much later than the cereal.

The pigeon pea (*Cajanus indicus* Spreng.), perhaps the most important leguminous crop of the Gangetic alluvium, is grown either with millets or with maize. The mixing of cereals and pulses appears to help both crops."

In Monsanto's militaristic, anti nature mind, this biodiversity is a problem, and must be exterminated with glyphosate. Crops must be genetically engineered to resist glyphosate so that the GMO survives and everything else dies.

In the early 1990's during the negotiations of the United Nations Biodiversity Convention, a Monsanto representative described Roundup Ready GMO crops as a 'technology' that 'prevents the weeds from stealing the sunshine'. This is a mentality of war and violence, of greed and scarcity.

And it creates scarcity. By destroying sources of food and fodder, medicine and organic manure, and livelihoods especially of women, if HT mustard is introduced 4.25 crore employment days for women would disappear. Between 2011-12 and 2017-2018, 29 million women's livelihoods vanished. Monsanto steals women's livelihoods by spreading Roundup.

Through Roundup, Monsanto is also stealing our health and

our future.

In 1985, EPA had classified glyphosate to be a class C Carcinogen. In spite of knowing they were selling a carcinogen, Monsanto denied it.

Worse, it attacked the WHO's International Agency for Research on Cancer when their research showed that glyphosate causes cancer.

The WHO study led to a spate of cases in the US by people who had used Roundup and got cancer. Courts have ruled in the cases of Johnson, Hardeman and the Pilliods.

As Judge Winifred Smith said on #Monsanto#Roundup#cancer case: "In this case there was clear and convincing evidence that #Monsanto made efforts to impede, discourage, or distort scientific inquiry and the resulting science."

There are 18,400 pending cases relating to glyphosate, the main ingredient in the Roundup sold by Monsanto since the 1970s. Monsanto was acquired by Bayer AG the German company in 2018.

Monsanto did not merely lie in the context of cancer. It also falsely claimed that Roundup does not affect humans because humans do not have the shikimate pathway which is in plants and which is ruptured with the application of Roundup.

What they hid from citizens is the scientific fact that our gut microbes have the shikimate pathway. When we consume Roundup residues in food, our gut micro biome is affected.

As Stephanie Seneff, a scientist at MIT points out: Monsanto, glyphosate's inventor, claims that glyphosate is harmless to human cells because our cells don't possess the biological pathway that glyphosate disrupts in plants,

namely, the shikimate pathway...

A huge flaw in Monsanto's argument is that our gut bacteria do possess the shikimate pathway, and they depend upon it to produce a set of three aromatic amino acids, tryptophan, tyrosine, and phenylalanine.

Since our cells don't have this pathway, they themselves are unable to make these very important nutrients, so we depend upon our gut bacteria to supply these nutrients for us, if they are deficient in our food.

These essential amino acids are precursors to the neurotransmitter dopamine, serotonin, melatonin, and adrenalin, as well as thyroid hormone, folate, and vitamin E. Many of these important biological molecules have been shown to be deficient in association with autism.

Roundup is not just a broad-spectrum weedicide. It is a broad-spectrum biocide that kills beneficial insects like pollinators, and soil organisms. Nitrogen fixing bacteria and mycorrhizal fungi have been reduced and pathogenic fusarium fungi has increased.

The Roundup ready crops which have led to an increase of 1,500 percent in Roundup spraying in the USA have failed in their primary objective of weed control. They have instead turned beneficial plants like amaranth into superweeds.

The militarised mind is now preparing for the next war against biodiversity. Exterminating the amaranth species through "gene drives".

We need to make peace with biodiversity, for ecological security, food security and livelihood security. We must round up Roundup. □□

(The author is the Executive Director, Nardanya)

Old is still gold



The Government is about to make a terrible mistake with its seed policy. The Ministry of Agriculture & Farmers' Welfare has decided to withdraw certified/notified varieties of seeds that are older than 10 years from the market. The Government system, backed by the Indian Council of Agricultural Research (ICAR), cancelled the indent of seed producers, who have requested for popular varieties between 10-15 years old.

Several small and medium seed companies across the country obtain breeder seeds from ICAR every year and take up the production of foundation seeds and certified seeds to distribute them to the farmers. Older varieties, between 10 and 15 years, are still very popular among the farmers. In fact, they demand varieties

that are older than 25 years, too, because of their adaptability, resilience and high-yielding capabilities under adverse conditions. The sudden disappearance of the seeds from the market will rob the farmers of freedom, their right to choose the seeds he/she wants to grow and the market of laissez-faire principles. Besides, this conservative policy decision may also cause extreme chaos among the farming community, disrupt the seed economy and impact crop production negatively.

Any sound agriculturist will tell you that diversity breeds resilience, delivering both higher yields and immunity for the plants from diseases and pests. This can be achieved through breeding and introduction of newer varieties to maintain pace with natural evolution among pests and pathogens. With time, older varieties need replacement as they become vulnerable to biotic and abiotic factors. Seeds bred for disease resistance may lose those traits as pests/diseases keep evolving, depending on agro-climatic conditions, among other things. This results in decreased efficiency of the seed or requirements of more crop protection or artificial boosters to maintain sustained yields. So when it comes to science, the Government is making an objective decision, a scientific one.

But a one size fits all approach does not work in the farm sector. And why should it? The category of the Indian farmer is occupied by many — starting from the forest-dwelling Santhal farmers of Jharkhand to the progressive cereal farmers from Punjab, the Gond farmers growing corn in central India, the Assamese farmer cultivating paddy in the fields of North-East, the desert farmers of Ladakh and Thar and the coastal farmers from Kerala. The list can go on and on.

The Indian farmers are a diverse group with different qualities and limitation but have one common requirement of certified/superior seeds. While farmers in Punjab are very progressive and quick to adapt to newer schemes and seeds, the Gond farmers of Madhya Pradesh may not even know about the many Government schemes and seeds, given they are remotely located.

It can be concluded from historical evidence based on the spread of Green



The Govt's decision to abruptly remove 10-year-old seed varieties from the market may do more harm than good. It must phase them out gradually and earn farmers' trust.

Indra Shekhar Singh

Revolution in India that there are three groups — Core areas, covering Punjab, Haryana, Western Uttar Pradesh, Andhra Pradesh, Tamil Nadu; periphery, covering eastern Uttar Pradesh, Bihar, Karnataka, Kerala; and remote, covering North-Eastern and hilly States, Goa and Puducherry — when it comes to the spread of technological innovation in agriculture.

The time of adaptation or even a variety being accepted by one zone differs to a great degree. After the commercialisation of a variety, it may take around one to three years for it to be widely accepted by core areas such as Punjab and Haryana. For the same variety to trickle down to eastern Uttar Pradesh, it may take another three to four years and for it to reach remote areas like Jharkhand, six to eight years. By the time farmers across these zones gain confidence in the variety and raise demands, the 10-year period is already over.

Old is gold, there is no better adherent to this adage than Indian farmers. General consensus on a good seed is built on how it performed last year or when some farmers get higher yields or less disease. The approach to buying seeds is very conservative. Mostly, varieties that have proved themselves over a season or two in the region are sold. Smaller farmers do not gamble with new varieties. Medium/large farms may experiment with newer varieties but it takes two to three seasons before the intended advantage is delivered.

Farmers need to trust a variety before they adopt it. And given the climatic variations and water scarcity, it may take a longer time for the seed to perform ideally.

Old is gold, there is no better adherent to this adage than Indian farmers. General consensus on a good seed is built on how it performed last year or when some farmers get higher yields or less disease.

Hence, the time of adaptation increases, depending on the area.

The harshest truth of the seed world is that its economy is based on the choices made by the farmers. The market is driven by demand and is based not only on science but farmers' intuition. They trust their logic over and above the Government/seed retailer or the labelling. To cultivate demand for a particular variety of seed, therefore, may take ten years or more. In India, the saturation point may be reached way beyond the 25-30 year period.

There are many examples. PBW-343 (1996), WH-147 (1978) in wheat, Varuna (1976) for mustard, Pusa Basmati 1 (1989), Govind (1989) in paddy among others are still the farmers' favorites and they have continuously given yields and performed optimally. If suddenly they are removed from the market, with no alternative to the farmers, this may lead to discontentment among the agrarian community.

This will also encourage black marketing, hoarding of trusted varieties as the farmers will not gamble. Besides, it may give birth

to a shadow seed economy. Instead of aiding the farmers, the Government may well push them to act complicitly with black marketers. The rural economy will suffer and the seed economy along with the markets will see a decline, which may translate to a decrease in crop production.

But the Government can still steer the moment towards creating a positive impact. It may begin by allowing varieties till 15 years to be produced through the ICAR system. Then, it should do a detailed study to get an estimate of market penetration of new varieties and understand market trends to bring transformative changes. This policy needs to be reviewed on a case-to-case basis.

While less popular varieties can be phased out after 10-12 years, more popular varieties may continue up to 20-22 years. Preparing for the replacement drive of a variety of seed, the Government can use digital media to showcase efficiency, using farmer-friendly videos in regional languages and live crop demonstrations.

This campaign can be strengthened by efforts of Krishi mitra/village-level agriculture officers. The Government can supply new varieties to the farmers directly so that they can sow them in small patches in their region. Once the farmers see the new varieties perform better, they will develop trust for new seeds and, thus, natural demand can be created. The Government must not only make the best use of scientific principles but also keep in mind economic forces of demand as for many farmers, old seed is still gold. □□

(The writer is Programme Director for Policy and Outreach at the National Seed Association of India)
<https://www.dailyponer.com/2019/columnists/old-is-still-gold.html>

The motto of the law seems to be that everyone is a thief and must be punished.

India loses billions for non-exercises PM's touch may allow biz to breathe, ensure policy stability

The Rs 100 trillion investment in infrastructure, promised by Prime Minister Narendra Modi is inspiring. It should change the economy, which is in a turbulent phase. The last five years have seen many investment proposals in building modern ports, highways, railways, airports, hospitals and educational institutions. Many of it has happened in the road, airports and rail sector too. But the population control should not be an official agenda. It is often misused.

Modi has the capacity to do a magic. It is happening. But he has also to contend with the global slowdown. Germany shrank by 0.1 percent as its exports are hit. Dow Jones indicator tumbles 800 points or 3 percent after bond market flashes a recession amid US trade war and Chinese yuan manipulation.

Weak economic data around the world also unnerved investments. Indian stocks are doing no better. It is slumping everyday with some exceptions. Sensex touched 36958 on August 14 from a high of 40,000 on May 23. Will Modi's promises change the destiny? It may but if we listen to former RBI governor Bimal Jalan, it can take two years. That is closer to another election cycle.

Jalan indicated that the private sector is still not investing, "may be due to post-demonetisation effect". This means for the past three years whatever growth at now even 6.8 percent from 7.2 percent last year is due to push by the government. This is the slowest GDP growth since 2014-15. The previous low was 6.39 per cent in 2013-14 following which the Narendra Modi government came to power in 2014. It is straining resources and the pain is visible.

Except for perhaps retail loans given by banks, there is a contraction in all



India loses billions for non-exercises, PM's touch may allow business to breathe and ensure policy stability.

Shivaji Sarkar



other parameters which measure consumption in different ways.

Last month the IMF and Asian Development Bank (ADB) cut the country's growth forecast to 7 percent, citing global and domestic headwinds. This is at a time Modi says the people are becoming aspirational and becoming more demanding. A good indicator but if not supported by action, it can have problems.

Jalan says that mere public investment is keeping the morale high. It comes at a cost to the revenue collection. It rose by just 1.4 percent or Rs 4 lakh crore last cycle. The demand is high as despite realizing the need the government is unable to give the necessary tax cut benefits to the people.

It has made 'one nation one tax' or the GST a burden for the entrepreneurs and start ups. There are many instances when start ups having a sale of Rs 560 or so ended up paying over Rs 20,000 as penalties. The GST law imposes compounded penalties on those who do not file returns every month.

The law fails to take into account that small ventures subsist on low margins and it equals to the tax demand. In other words, they are supposed to survive on no profit but face high tax demand and compliance.

The motto of the law seems to be that everyone is a thief and must be punished. This is ruining small businesses, entrepreneurs and start ups. Another consequence is high NPA for small MUDRA type loans. It is clogging public sector banks. The government to achieve its motto of promoting entrepreneurship should impose no GST or any other tax up to a limit of Rs 25 lakh or more.

The motto of the law seems to be that everyone is a thief and must be punished. This is ruining small businesses, entrepreneurs and start ups.

It also needs to do away with monthly returns for GST payers and annual returns for nil income taxpayers. It would be a great help to the informal sector which keeps the economy floating.

There are many similar bureaucratic mistakes that has deviated the government policies. A person is not supposed to pay a paisa as income tax. But he has to take the rigours of filing return with the help of someone he has to pay. It burdens the department with millions of unnecessary returns and crores of refunds.

In these non-exercises the nation loses billions in terms of money, manpower and business transactions. Cannot the nation do away with it? It is strange that the bureaucracy on simple issues awaits instructions from the top.

Multiple taxes on sought after foreign portfolio investors lead to the stock market crash. Why cannot it be visualized? Similarly the auto sector is reeling under 23.3 percent fall in sales, the biggest contraction since 2004. It impacts tyre, steel, ancillary industries, closes down dealerships and has thrown 2.3 lakh people out of jobs.

Two major reasons are there. Owing to NGT's quixotic order of scrapping 10 and 15 year-old

cars, the secondary market, which encourages new car purchases, has collapsed. Worse is the newly enacted Motor Vehicle Act. The buyers are shaken as they feel that car purchase is a bad investment as even the best maintained car has to be sent to scrap yard for no fault of theirs.

The NGT order has to be scrapped. Nowhere in the world has such rule existed. And MV Act needs a review. Heavy taxes, parking charges, tolls have to be cut to put the industry back on rails.

It is killing secondary market, that creates demand in the US and Europe. It lubes the industry. Yes, even for this prime minister may have to intervene.

That agriculture is not in a happy shape is indicated by 14.1 percent fall in tractor sales. The Rs 6000 annual dole may have some impact next year. But the farm sector is still in a bad cash situation. It wants reversal to cash economy, which they say is more pious than the slow digital. The FMCG is also in crisis. Let the government intervene least and keep economy free of shackles.

India has resilience. It would have survived the 2007 western sub-prime crisis but for the intervention of the UPA government that messed up the banking sector with over Rs 12 lakh crore of NPAs. It can bounce back provided the rules are eased, biz are allowed to breathe, policy is stabilized and liberal atmosphere prevails.

Prime Minister Modi has shown flexibility. A dialogue with the industry, chambers, small biz groups and farmers would embolden them to open up. Yes, last but not the least tax men need to be put at bay. □□

The state has its Reasons

For over seven decades, the status of the state of Jammu and Kashmir has been masked in ambiguity and deceit. Successive governments of both India and Pakistan had tried but failed to arrive at an amicable “final solution” because of the play of vested interests on both sides. These attempts over time shaped two potential routes to a resolution. One may be termed the “hard” option and the other the “soft” option. Pakistan tried the hard option of occupying the territory as early as in 1947 when it sent troops into the erstwhile kingdom of Jammu and Kashmir and grabbed territory. It tried the hard option a second time but failed, in 1998 when it crossed the Line of Control (LoC) at Kargil.

It was only after these attempts at a military solution on the part of Pakistan failed that the two countries began considering the “soft” options. Prime Minister Atal Bihari Vajpayee took the first step in defining a final “soft” solution when he gave currency to the idea that the LoC could be defined as the “international border” (IB). Picking up the baton, Prime Minister Manmohan Singh pursued that option through the longest uninterrupted dialogue with a Pakistani head of state. The dialogue with President Pervez Musharraf conducted largely through a back channel yielded an outcome that came to define the “soft option”. Singh’s aide diplomat Satinder K Lambah offered a glimpse of that option in a lecture delivered in Srinagar on May 14, 2014, at the tail end of Singh’s tenure.

The Manmohan-Musharraf formula was based on the premise that terrorism and cross-border attacks would cease, and the LoC would become the IB. In Kashmir, it would be a soft border that would enable Kashmiris on both sides to travel to and fro. It advocated free trade across the border, and “self-governance for internal management in all areas on the same basis on both sides of the LoC”.



A soft solution to the Kashmir dispute has had no takers in India and Pakistan since 2014. The changing global environment may have influenced New Delhi to opt for a hard solution.

Sanjaya Baru



Once such a benign environment was established, both sides would reduce to the bare minimum the presence of their respective militaries on their side of the border.

All those ideas belong to a distant past. First, Musharraf in Pakistan and then Singh in India lost whatever little support they may have had at home to pursue this “soft” solution. The Mumbai terror attack in November 2008 and the reaction at home to the joint statement that Singh penned along with his Pakistani counterpart Yousuf Raza Gillani at Sharm El Sheikh in July 2009, queered the pitch for the burial of the soft solution. It was, however, Pakistan’s military and hardline political leadership that fired the first salvo against the soft solution. In India, the BJP followed suit by rejecting the Manmohan-Musharraf formula.

Since 2014, there have been no takers for the soft solution both in India and Pakistan. On the contrary, attitudes began to harden on both sides. Consequences followed. Relations worsened. In a bizarre display of competitive immaturity, Imran Khan and Donald Trump brought up the issue of Kashmir in a manner that seemed completely oblivious to the new reality of a “New India”. The BJP has had a consistent stand on the future of Jammu and Kashmir and after its massive victory in May 2019, its views ought to have been taken seriously.

More to the point, no credible political leader in Pakistan or India seems interested any longer in turning the clock back to pursue the now abandoned soft solution. Faced with the prospect of a renewal of bonhomie between



BJP has had a consistent stand on the future of Jammu and Kashmir and after its massive victory in May 2019, its views ought to have been taken seriously.

Rawalpindi and the Pentagon, the Pakistani political and military elite have sought to up the ante with sharpened rhetoric on Kashmir. The BJP leadership, buoyed by a landmark victory, was in no mood to indulge their pretence. As one perceptive BJP politician put it to me, India tried all options to resolve the Kashmir issue but nothing yielded a convincing result. The bull had to be taken by its horns and this was an opportune moment.

Critics of the government’s action have said it was motivated by a desire to secure land rather than its inhabitants. Every state has to be as mindful of its territory as of its inhabitants. More wars have been fought between nations over land than only over the interests of its peoples. Even Abraham Lincoln did not wage a civil war only to define the rights of US citizens but to also define the territorial limits of the US state. A state that cannot define its borders and protect them has no reason to survive. Forget distant history, in the post-War period we have seen states appear and disappear, acquire and lose territory. There are still those who imagine the Indian state will not be able to keep and defend all

of the territory it possesses. Books have been written on the eventual balkanisation of India.

While the BJP may have had its own political reasons to take the steps it took this week, the Indian state too has its reasons. Having exhausted soft options, a hard solution has been opted for. It is significant that most political parties, including many senior leaders of the Congress, have backed the government’s action. They are not necessarily defending the government but are defending the interests of the Indian state.

It is said India is an ancient civilisation but a new nation. The Republic of India has had all the anxieties of an adolescent nation. It has tried both soft and hard solutions to define its borders. The only remaining unresolved issues are with Pakistan and China. With China a negotiated settlement is still possible since its leadership has demonstrated greater maturity in dealing with India. Pakistan too could have secured a peaceful resolution by ceasing to make India more anxious about its security. In choosing not to do so it opened the door to BJP’s hard solution. □□

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Who defines intolerance?



Former Mumbai Police Commissioner and Director General of Police, Gujarat and Punjab, Julio Ribeiro, recently expressed unhappiness with the Bharatiya Janata Party for inducing 10 Congress MLAs to its side in Goa, deviating from its political philosophy and ethics. Recalling his friendship with Ms. Laxmi Kanta Chawla and Hit Abhilashi in terrorism-afflicted Punjab, Ribeiro says he felt the BJP would uphold “a different type of politics”.

He himself “never voted for the BJP because the general run of minority thinking is that the BJP is an exclusively Hindu party”. What a strange political orthodoxy to espouse. However, he explains, “My Hindu ancestors in Goa were converted by the Portuguese more than four centuries ago. Since then, we have become a minority in our own country and our vote goes to those who will protect our culture and identity”.

The officer misses the deep introspection this should have triggered. He does not say if his ancestors converted out of attraction towards the faith of the new conquerors, or out of fear to escape the cruel Inquisition. Historical evidence suggests it was the latter. Did the new converts in Goa feel inferior to the white invaders, and does the sense of being “a minority in our own country” originate with those tyrants? Or was it vis-à-vis the British who dominated India until 1947, though Portugal retained its Goan colony till India expelled it in 1961?

Obviously, this refined sense of minority-hood began with independence in Hindu-majority India, possibly due to subtle mentoring by the outgoing colonial masters. Unlike Jinnah and the Muslim League, Christians did not demand a separate homeland, but the church did eye, and continues to eye, large tracts of India as a Christian *lebensraum*. The church has an acute political sense and has instilled deep psychological separatism in the minds of its flock. Priests openly suggest which party to support during elections, a *diktat* followed scrupulously. Hence, though Hindus celebrate diversity and pose no threat to anyone’s culture or identity, a minority vote bank has been created for political bargaining.

Simultaneously, 49 self-styled conscience keepers of the nation (film maker Mani Ratnam later backed out) wrote to Prime Minister Narendra Modi (July 23, 2019) demanding an end to the “lynching of Muslims, Dalits and other minorities”. Projecting the alleged lynching as a routine affair, they demanded that the offence be made non-bailable, which means that anyone accused of a crime can be jailed without bail until the courts take up the matter. This is too clever by half.



There is a concocted narrative of "majority oppression" and is a perversion of the public discourse in India.

Sandhya Jain

In recent times, allegations of Muslims being forced to say “Jai Shri Ram” have proved false on police investigation. Yet the authors of this inchoate letter plead they should not to be branded as “urban Naxals” or anti-government when they exercise free speech. The wide dissemination of their letter proves that free media and free speech are blooming in India. Interestingly, one of the signatories was convicted of sedition in 2010, and is on bail during pendency of his appeal.

The senior police officer and 49 eminences (minus one) are part of an ecosystem unique to India. The Hindu majority is dubbed as communal and demonised; vicious propaganda is spread against it within the country and in the West (mainly London, Washington, and UN bodies), even as the “conscience keepers” are embedded in government structures in India or receive other forms of State patronage, if not both (foreign awards are separate). However, in recent years, the narrative is bringing diminishing returns as Hindus shun political formations that demean them. Its demise abroad is a matter of time, thanks to Western economic decline.

The open letter is an attempt to extend the shelf life of their false narratives. So selective is their truth that they kept a deafening silence when separatist leaders in Kashmir valley quietly sent their offspring abroad to study, work, and settle down, while exhorting poor families to send their wards to pelt stones at security forces. Being part of the same ecosystem, this “Lutyens extended family” was aware of the truth, but kept quiet as teenagers bunked school to needle se-



India has resilience. It can bounce back provided the rules are eased, business are allowed to breathe, policy is stabilized and liberal atmosphere prevails.

curity forces that were compelled to retaliate, all aimed at showing the world that the Indian State is keeping Kashmir by force.

Despite ignoring the truth in Jammu and Kashmir, these eminences cringe from accepting the anti-national tag. They profess compassion for the suffering multitudes, but have never said a word in support of the Kashmiri Pandit community that was driven out of the Valley in the winter of 1989-1990. Later, they shamelessly blamed Governor Jagmohan who arrived in Srinagar on the morning of exodus, and was powerless to prevent it.

The signatories have never spoken up for tribal victims of Naxal terror, but lionize “Urban Naxals” as human rights crusaders. They maintained silence when calls to dismember India rang out in the heart of the capital, and showed more compassion for Ajmal Kasab who perpetrated unspeakable horror in Mumbai in 2008, and for Afzal Guru, mastermind of the attack on Parliament in 2001.

In West Bengal, last bastion of secular-minority irredentism, the chief minister ordered imprisonment of those chanting Jai Sree Ram; violence was unleashed during the Panchayat elections in 2018 and Lok Sabha elections in 2019; students were fired upon in Darib-

hit High School for demanding a teacher of English and computers; temples were vandalised in Kaliachak, Deganga, Baduria and Raniganj. There have been many episodes of violence against BJP workers, but not one eminence called the chief minister or Trinamool Congress workers to account.

In July 2019, a temple was vandalised in Chandni Chowk in the heart of the capital; public anger ensured that the incident could not be hushed up. But the “Lutyens united family” remained unfazed. Its greatest moment came in September 2018 when the Supreme Court ruled that women of all ages could enter Sabarimala Temple, breaking a centuries-old restriction on women of a certain age group. Despite a spontaneous #Ready-to-wait movement, non-believers egged on by chief minister Pinarayi Vijayan tried to gate-crash the temple precincts to humiliate the devotees.

We thus see an invented narrative of “majority oppression” coupled with strong advocacy of everything Hindus consider unfair and unjust. For these stalwarts to complain of threats to their freedom of speech is just another perversion of the public discourse in India. □□

(The writer is Senior Fellow, Nehru Memorial Museum and Library; the views expressed are personal)

Neither consumption, nor investment, growth is driven by wages



The global market for services such as software, mobile apps, translations and online tuitions is continually increasing. We must empower our youth to supply these services to the global market. That will lead to increased consumption & investment.
Bharat Jhunjhunwala

Chief Economist K. Subramanian has exhorted Indian businessmen to increase investment to break the present recession. We need to understand the connection between investment and consumption to place his comment in perspective. The story of investment and consumption is like that of the chicken and egg—which came first? For a moment, let us begin with investment. Let us say an industrialist made investment in a textile mill. The investment would lead to an increase in production of cloth. A number of workers would get wages. They will buy goods from the market for consumption. The consumption in the economy will increase. Framed in this way, the driver of growth is investment. We can write the same process in another way starting with consumption. Let us say, the people of the country increased their consumption. This would lead to an increase in demand in the market. The businesspersons will make investments to profit from that opportunity. They will invest. Framed in this way, the driver of growth is consumption. It is clear that investment and consumption are connected with each other in a circle. We can “start” the cycle at any point of the circle just as the chicken and the egg.

As said above, irrespective of whether we begin with investment or consumption, an increase in one soon begets increase in the other. The balance between investment and consumption is reestablished in both the scenarios. If we choose to start with investment, the increased investment is followed by increased consumption and the ratio is reestablished. If we choose to start with consumption, the increased consumption is followed by increased investment and the ratio is again reestablished. We can temporarily increase one or the other but the balance has necessarily to be soon reestablished. We can think of investment and consumption as two cars tied to each other with an elastic string. Either car can



pull the other. The ratio of investment and consumption is determined by technology. For example, the consumption will be more and investment will be less if we are farming with bullocks because the labour required is more and the investment is less. On the other hand, the investment will be more and consumption will be less if we are farming with tractors because the labour required is less and the investment is more.

The economy enters into recession if increased consumption does not follow increased investment; or the second car does not allow itself to be pulled by the first car and the elastic string snaps. This is the situation of our economy today. Businesspersons have made investments, they are producing goods and paying wages but the workers are not buying the goods. Consumption is not picking up. It seems people do not have confidence in future and are holding their incomes back. The consumers have gone into a coma. It is as if the car of consumption has pulled the hand brake and is holding back the car of investment.

The present scenario indicates that consumption is more of a driver of economic growth than investment. The shops are full of goods but consumers are not buying them. A further increase in investment would only add to the inventories since the car of consumption has its hand brake on.

A study done by the SDM Institute of Management Development, Mysore has examined whether consumption or investment has added to economic growth in India between 1992 and 2015. It has concluded: “26 per cent is contributed to private con-

sumption spending, whereas, investment spending causes only 4 percent variability in the GDP.” I think this is the correct situation. Thus, with due respects, the statement of our Chief Economist Mr K Subramanian that investment is the driver of growth does not hold.

Yet, Mr Subramanian has conceded that consumption drives growth in the developed countries where the income levels are high. Exactly opposite may be the case. The poor use 90 paise out of every rupee of income for consumption. They are willing to consume, they can are willing to buy chapals, buckets and milk from the market but they do not have incomes to do so. An increase in their incomes will immediately lead to increase in consumption and that would drive investment. On the other hand, the rich use only 10 paise who out of every rupee of income for consumption. They have money in their pockets are not buying the goods. They invest in gold or in Time Deposits. Therefore, consumption can especially drive economic growth in poorer countries—which is exactly opposite of what our Mr. Subramanian says. It may be that Mr. Subramanian is giving pep talk to encourage businesspersons to invest, which indeed is desirable. The route to breaking the present recession, therefore, is to increase in incomes of the poor which will lead to increased pull by the car of consumption; and the car of investment will follow.

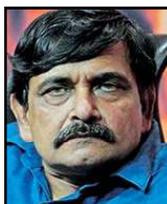
Former Chief of the Niti Ayog Mr. Arvind Panagariya has said that the Government should implement more economic reforms to jumpstart the economy instead of giving tax exemptions or other

stimulus packages to the stressed businesses such as the automobile sector. I agree that stimulus will not work. The reduction price of a car from Rs 5 lakhs to Rs 4 lakhs will scarcely lead to increased sales when the consumer is in a coma. We have seen that repeated reduction in the interest rates in the last year has not led to increase in sales. Thus far he is right. However, his suggestion that more economic reforms must be implemented is dicey because our live experience tells us that the economic reforms have led to the present recession. Might we be giving more poison in the name of medicine? The much touted reforms of demonetization and GST, which were implemented during the stint of Mr Panagariya, have created immense trouble for small businesses, led to less employment generation, less consumption by the workers and thus we have recession. Thus, the recession may get worse if we deepen the reforms such as the GST.

The Government will have to take two steps to break the recession. One, protection will have to be given to small businesses. They use more labour and less automatic machines. The share of wages in the goods produced by them is more. This will place more income in the hands of the poor, lead to increased consumption and investment. Two, the Government must focus on exports of services instead of manufactured goods. The global market for services such as software, mobile apps, translations and online tuitions is continually increasing. We must empower our youth to supply these services to the global market. That will lead to increased consumption & investment. □□

Formerly Professor of Economics at IIM Bengaluru

Our Rashtra Mata In Heaven



Dasgupta expatiates on the great Hindu reawakening that lay at the roots of the freedom struggle. The Hindu right is thus seen through cultural nationalism.

Dr. R. Balashankar

What the emergence of Narendra Modi in the political centrestage has done is to redefine Indian polity, and reclaim that core aspect of Indian nationhood which in many ways had inspired India's global importance and identity in the last three centuries. From the fringes and sidelines to the mainstream, the growth of the Hindu nationalist political movement has transformed and channelled Indian national discourse, making relevant the hitherto ignored or taboo strands of the Indian freedom movement.

India was awakening from a thousand years of slumber, as Swami Vivekananda had observed in the late nineteenth century. In fact, it is not an exaggeration to say that Swami Vivekananda was the father of modern Indian renaissance. The freedom moment gradually came to focus on the immediate aspect of throwing out the British. But it simultaneously triggered an unresolved national churning in India after the British left. The Congress under Jawaharlal Nehru got the first chance to shape India after 1947. But the teachings and aspirations of an awakened India, as scripted by Vivekananda, Bal Gangadhar Tilak, Lala Lajpat Rai, Ban-kim--chandra Chattopadhyay, Sri Auro--bi--ndo, Veer Savarkar, Keshav Bali-ram Hedgewar, Guru Golwalkar, Syama Pra-sad Mookerjee and Sardar Patel did not find political expression till the eighties in a decisive manner. Swapan writes "I believe it is important to understand the phenomenon not only from the perspective of its critics but also in terms of how it perceives itself. There has, for example, been an accusation that Hindu nationalism is singularly detached from the freedom struggle". Cultural nationalism—that undeniable spur to the freedom struggle—was the base of this alternative political philosophy which Swapan Dasgupta in his new book has chosen to call "the Indian Right".

Dasgupta has made an honest and avowedly "sympathetic" attempt to understand the ethos of this new political expression. The success of this experiment is convincingly traced in the pages of *Awakening Bharat Mata*. The author observes that it is an attempt to generate more debate and writings on similar lines. In fact, the thoughts on Indian cultural nationalism are scattered, diverse and disoriented. It was the political genius of Narendra Modi that made this ideology a successfully combative instrument of change and power. But for his success, these expressions may not have gained any currency, and books like this may not have been written. In a way, Dasgupta's is the first comprehensive attempt to see the new political victories of Hindu nationalists and situate it in a

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historic, ideolo-gical continuity. In that sense, it's a pio-----neering work, a path-breaking app-roach to contemporary history.

The clash of ideologies and the inevitability of the relevance of the new Hindu right's approach is captivatingly narrated in the book. It also helps to understand the vic-tories of the BJP in the political context and establish that this fac-et of Indian polity is bound to stay for long.

As Dasgupta underlines, the Ayodhya movement was the turn-ing point: "It was the Ayodhya campaign that set the terms of a political discourse that has persisted in one form or another till to-day". L.K. Advani's insightful arti-cle on this aspect is enlightening. But the subtler role of the RSS, VHP and other affiliate organisations is underplayed in the book. The role of leaders like Hed-gewar, Guruji Golwal-ker, Moropant Pingle, Ashok Singhal, Dattopant Then-gadi, Deendayal Upa-dhyaya and the significance of the organi-sational network for making the decisive mandate of 2014 a reality needs a more empirical and de-tailed study. This work can be fully authoritative only with an inclu-sion of the latter. But, as a first at-tempt, this book is compelling enough. The collective wisdom of the cultural underpinnings of the national movement is actually the literature of Indian nationalism. More-over, it tried to forge national unity and was inclusive, albeit hark-ing back to a cultural universe that was predominantly Hindu.

A remarkable aspect of Awakening Bharat Mata is its perspective on Chhatrapati Shiva-ji, as a visionary and a nation-build-er. The Indian resistance to the for-

midable challenge to Mughal dom-ination is cited as a defining mom-ent in the awakening of In-dia. The aut-henticity of historians like J.N. Sarkar, R.C. Majumdar and R.G. Bhan-darkar, the contri-butions of Bakim-chandra, Sister Nivedita and Aurobindo in the footsteps of Viveka-nanda in shap-ing the Indian renaissance ideolo-gy are extensively covered in the book. This is an authoritative guide map to the understanding of the emerging nationalist fervour.

The inclusion of S. Gurumur-thy's article, which analytically grasps the essence of the new po-litical philosophy, is a value addi-tion. Dasgupta has tried to explain the new phenomenon by juxtapos-ing it with similar nascent trends in the West. But Hindu history is as unique as other great world civili-sations and needs no defence. The defeated 'Left liberals' might see things differently. As Dasgupta puts it, "There has been an inclina-tion to view India's right-wing po-litics as either a variant of fascism or merely a collection of sectarian prejudices. The centres of intellec-tual power—notably academia and the media—have been particularly hostile to the BJP and those identi-fied with it, an opposition that var-ies between condescension and shrill disavowal". But the real pro-tagonists of this "remake India mis-sion" are not apologetic. The col-lection of articles that is cited by Dasgupta is the author's own selec-tion. Only, a more representative, cohesive, list would have served the purpose better. What is the Indian right, who are the Indian right's pro-tagonists? Why is it being discussed at this particular juncture?

The context is the phenome-nal rise of the BJP vis-a-vis the stun-

ning poll results of 2014 and 2019, where under Modi an alternative ideological narrative to Indian pol-ity has gained wide acceptance with the electorate. The tectonic politi-cal shift that Modi brought about in the last five years has inspired a large number of books on the new leader and his policy template.

Swapan Dasgupta's book is entirely different from all those. It is an excellent academic exercise in finding the roots of the Indian right. Not contextualised by the Modi phenomenon as in other ef-forts, Swapan Dasgupta has bril-liantly tried to examine the politi-cal beliefs of the Indian right. And who its icons were in the past two centuries.

The opening chapters, The Political Context, Motherland, Re-ligion and Community and Politics and the Hindu Narrative give a glimpse of the entire thought pro-cess that have shaped the new awakening. Dasgupta tries to exa-mine the ideological underpin-nings of the movement in passing and how Narendra Modi in the past five years has tried to give administrative shape and initiated practical solutions to the rema-king of India. He also examines how this approach is fundamentally dif-ferent from the Nehruvian model. It is not reli-gion, but culture and history that determine the new ori-entations. The BJP has grown by using all opportunities it gained as part of the JP Movement, the Jan-ata Party experiment and its coa-lition travails. The BJP stood its gro-und while others faulted and slipped. The book essentially is a learner's guide to the making of a new India. □□

<https://www.outlookindia.com/magazine/story/books-our-rashtra-mata-in-heaven/301957>

Void difficult to Fill

✍ **Dr. Ashwani Mahajan**



My first interaction with Shri Arun Jaitley, was nearly 42 year ago, when he was a student leader. Emergency was over and he was canvassing for Delhi University Student Union (DUSU) elections on behalf of the Akhil Bharatiya Vidyarthi Parishad (ABVP).

Though I used to meet him as an important BJP leader my intimacy with him became more intense with Arun ji joining as Finance Minister in the NDA Government under the leadership of Shri Narendra Modi. I used to meet him at frequent intervals, on issues related to economic policies. During this period I got the opportunity to know his deep intellect, patriotism, commitment and depth of thought process.

Everybody knows that Arun Jaitley had been a renowned lawyer of national and international repute. In the judicial circles he was a extremely respected name as a lawyer and a statesman. He renounced his high-profile profession and took charge as the Finance Minister of the government under the leadership of Narendra Modi. At one time, he had to perform dual duty as Finance Minister and the Defense Minister, which again he performed excellently.

When he took over as finance minister, the economy he had inherited, was in a bad shape, with a very low rate of GDP growth and spiralling inflation. Reserve Bank of India was forced to hike interest rates to curb inflation and to keep real rate of interest positive. All sectors of the economy, including banking, were in the grip of corruption, the NPAs of the banks, which had been hidden by the previous government till now, were slowly getting exposed. The industrial growth had been keeping negative for long and the rupee too was under great stress due to increasing trade deficit. Indian economy was being viewed negatively and India was being treated as a soft state. Bringing the economy on the right track, curbing black money and corruption, resolving the crisis of banks and giving India its right place internationally were the main responsibilities of the new government and especially Arun Jaitley as Finance Minister.

It was a writing on the wall that the Finance Minister of the previous government had fudged budget to hide the failures of his government and fiscal position was much worse than seen on paper. In such a situation, the veteran Jaitley knew that the long-term solu-

tion to the banking crisis can only come through insolvency laws. Therefore, a new Insolvency and Bankruptcy law was made, according to which a person or a firm can be declared insolvent within a given period of time, in case of default in payment. Today, we see that this new insolvency law has not only solved the problem of NPAs considerably, and as a result of this 'Ease of Doing Business', has also improved remarkably and India has reached 77th rank jumping from 142nd.

Financial inclusion was the need of the hour. The common man was wary of going to the bank. Most people did not have a bank account. Under the Prime Minister's Jan Dhan Yojana, opening 32 crore new bank accounts in a short period with zero balance was a world record, which was made possible by Arun Jaitley's ministry.

Arun Jaitley had the credit of bringing the inflation down to 3% which had reached 12% in the UPA regime, by keeping the fiscal deficit low and bringing the government expenditure under control. A major challenge of the government was to implement GST. GST was in discussion for the last several years, however, the major obstacle in its implementation was that there was no consensus between the Center and the states. GST could be implemented under the leadership of Arun Jaitley despite of the fact that governments in many states were still under opposition parties. The world's largest GSTIN network could be built. The country will always remember Arun Jaitley for consistently reducing GST rates and getting GST implemented efficiently. The major reason for corruption in the country was the leakage in subsidies and other government expenditure. A former Prime Minister had said that only 15 percent of the money going from the center reaches the intended beneficiaries. The work of transferring subsidy to the intended beneficiaries by eliminating corruption was made possible with the help of technology under the leadership of Arun Jaitley. It is believed that at least rupees one lakh crores of revenue could be saved due to this reason. Arun Jaitley with his intellect and efficiency, not only spearheaded the important ministries, but also implemented various programs of the Modi Government. Be it election management or economic management, there was no parallel to Arun Jaitley. A void is being felt in the government and organization today, due to his demise. This may be difficult to fill. □□

Article 370 revoked: Gas line, free trade, industrial estates immediate benefits to J&K's integrated economy

From mismatching legislatures, almost no rights for 'migrants' and discouraging investment, the special status of Jammu & Kashmir (J&K) did more disfavours to the state than benefit. Home Minister Amit Shah on Monday moved the resolution in the Rajya Sabha to abrogate provisions under Article 370 of the Constitution paving the way for full integration of the state.

Under the new provisions, all laws applicable to Indian states will be applicable to Jammu & Kashmir too. Article 370 allowed the state to not only have its own Constitution but also had rights to frame their own laws. The laws passed by Parliament had to be ratified by the assembly to be made laws in the state. This caused not only delays, but mismatch too.

A week after other states moved to GST, the assembly of J&K passed the resolution to join the tax framework. A gas pipeline waited for two years -from 2011 to 2013-to get right of use provisions to enter the state. The list goes on. And these extra steps were required because of special provisions.

"These acts are prominent ones, and had interests of both state as well as central establishments. Otherwise the delay could have been in years," taunts a businessman from Jammu. The provisions of Section 35A prohibited people who were non-residents of the state to buy land and to avail facilities provided by the state government. The worst affected were families who migrated from western Punjab during partition. But these provisions also hampered trade and business in the state.

Kashmir's economy is dominated by tourism and allied industry along with some pockets of upper Kashmir with fruits and agricultural produce. Apart from Jammu there are industrial estates in Udhampur and Kathua region with businesses in glass, plastics and building materials. "You are left with the option of either taking the land on lease, or collaboration with some local resident, both are inefficient and costly way of doing the business," shares an investor.

Big corporate houses stayed away from investing, despite both Omar Abdullah and Mehbooba Mufti trying their best to woo them. But these investors were apprehensive on the availability of land and talent.

As one corporate explained, it is almost impossible to send skilled labour to the state. "To set up factories you will not find land. Even if you go to the industrial estates in Kathua, Udhampur or Jammu, the workforce will be unwilling to go there. They can't buy land to build homes, their children don't get access to education institutions." He added that when opportunities are less, then both suppliers and distributors both form cartel and dictate terms.

The state's population is roughly 10 million and there are hardly any geographical advantages. "The state is neither a huge market nor can become a logistic hub." Now that there is a serious change of dilution of these controversial provisions; hope businesses become more integrated and prosperous in the state. □□



Under Article 370, the laws passed by Parliament had to be ratified by the Jammu and Kashmir assembly to be made laws in the state. This caused not only delays, but mismatch too

Anilesh S. Mahajan

Reserve Bank's forward-looking Surveys

Indian pseudos are unique as they search for issues to corner the Modi government. Recently, Modi government has freed Jammu and Kashmir from the clutches of article 370 of Indian constitution and caught Indian pseudo liberals and pseudo secularists unaware. However, these pseudos are born hypocrites and could not digest the success of government. In such a situation, it was natural for these pseudos to divert the issue. So, they started raising the issues of Indian economy and expressing fears for its recession. It is therefore desirable to know what Indian commons think about the economy. Recently (August 2019) RBI released five forward looking surveys-Consumer Confidence Survey (CCS), Inflation Expectations Survey of Households (IESH), Survey of Professional Forecasters on Macroeconomic Indicators, Industrial Outlook Survey of the Manufacturing Sector and OBICUS Survey on the Manufacturing sector. These surveys give a glimpse of Indian commons- what they think about Indian economy and what they see as its prospects.

Consumer Confidence Survey

The Consumer Confidence Survey (CCS) was conducted in 13 major cities – Ahmedabad; Bengaluru; Bhopal; Chennai; Delhi; Guwahati; Hyderabad; Jaipur; Kolkata; Lucknow; Mumbai; Patna; and Thiruvananthapuram - and obtained 5,351 responses on households' perceptions and expectations on the general economic situation, the employment scenario, the overall price situation and their own income and spending. According to this survey, Consumer confidence declined, Consumers' perceptions on the general economic situation and the employment scenario softened, while their assessment of their own incomes turned out to be less optimistic than in May 2019. Respondents perceived a rise in the price level and the majority expect prices to rise over the year ahead.



True, every voice expressing the concern to Indian economy is not intended to condemn government and therefore government need to think over its prevailing policies and address the concerns of Indian commons.

Anil Javalekar



1. Households' Inflation Expectations Survey

The Inflation Expectations Survey of Households (IESH) was conducted in 18 major cities and the results are based on responses from 5,870 urban households. The survey was conducted at bi-monthly intervals by the Reserve Bank of India. It provides directional information on near-term inflationary pressures as expected by the respondents and may reflect their own consumption patterns. Hence, they should be treated as households' sentiments on inflation. According to the survey, three months ahead median inflation expectations of households remained unchanged at 7.6 per cent i.e., the same as in the May 2019 round of the survey; one year ahead median inflation expectations moderated by 20 basis points to 7.9 per cent. Fewer households expect inflation to rise over the year ahead than in May 2019.

2. Survey of Professional Forecasters on Macroeconomic Indicators – Results of the 59th Round

The Reserve Bank has been conducting the Survey of Professional Forecasters (SPF) since September 2007. Thirty-two panelists participated in the 59th round of the survey conducted during July 2019. The survey results are summarised in terms of their median forecasts and consolidated along with quarterly paths for key variables. Real gross domestic product (GDP) is likely to grow at 6.9 per cent in 2019-20 and by 7.2 per cent in 2020-21. As regards to the output, the survey concluded that the Real private final consumption expenditure (PFCE) growth is ex-



As regard to the external sector, the survey says that the growth of merchandise exports and merchandise imports during 2019-20 is expected at 4.3% and 4.4%, respectively.

pected at 7.6 per cent during 2019-20, improving to 8.0 per cent during 2020-21; the growth of real gross fixed capital formation (GFCF) is likely to moderate to 7.6 per cent in 2019-20, but improve to 9.1 per cent in 2020-21; forecasters have assigned the maximum probability to real GDP growth being in the range of 6.5-6.9 per cent in 2019-20 and 7.0-7.4 per cent in 2020-21; real gross value added (GVA) is expected to grow by 6.7 per cent in 2019-20 and to rise by 7.1 per cent in 2020-21, supported by upticks in industrial and services sector activity. According to the survey, headline consumer price index (CPI) inflation is expected at 3.3 per cent in Q2:2019-20 and at 4.0 per cent by Q4:2019-20 and CPI inflation ex-

cluding food and beverages, pan, tobacco and intoxicants and fuel and light is expected to remain between 3.9 per cent and 4.2 per cent during Q2:2019-20 and Q4:2019-20 and touch 4.4 per cent in Q1:2020-21. As regard to the external sector, the survey says that the growth of merchandise exports and merchandise imports during 2019-20 is expected at 4.3 per cent and 4.4 per cent, respectively, and improvement is expected in 2020-21, the current account deficit (CAD) is expected at 2.0 per cent of GDP in 2019-20 and at 2.1 per cent of GDP 2020-21 and the Indian rupee is likely to remain within the range of Rs. 69.0 - Rs. 70.0 per US Dollar till Q1:2020-21.

3. Industrial Outlook Survey of the Manufacturing Sector for Q1:2019-20

The 86th round of the Industrial Outlook Survey (IOS) conducted during April-June, 2019. The survey encapsulates qualitative assessments of the business climate by companies in India's manufacturing sector for Q1:2019-20 and their expectations for Q2:2019-20. Responses were received from 1,231 companies in this round of the survey. In the assessment of

respondents, order inflows, output and employment conditions remained tepid in Q1:2019-20. For each of the survey round, two indices are computed - one based on assessment namely Business Assessment Index (BAI) and another based on expectations, namely Business Expectations Index (BEI). Each indicator for the respective period is calculated as a weighted (share of GVA of different industry group) net response of nine business indicators.

The nine indicators considered are: (1) overall business situation; (2) production; (3) order books; (4) inventory of raw material; (5) inventory of finished goods; (6) profit margins; (7) employment; (8) exports; and (9) capacity utilisation. BAI/BEI gives a snapshot of the business outlook in every quarter and takes values between 0 and 200, with 100 being the threshold separating expansion from contraction. According to the survey, the Sentiments on exports remained largely unchanged from the previous quarter, but in the optimistic zone; on imports, however, optimism waned, Optimism on the overall financial situation was maintained with improved sentiments on availability of finance from banks and internal accruals, Manufacturers increased selling prices in Q1:2019-20 to pass on pressures emanating from interest payments on borrowings, cost of raw materials and salary expenses, but pessimism on profit margins continued to prevail. Overall business sentiment remained upbeat, as reflected by the Business Assessment Index (BAI)2 rising in the expansion zone to 108.4 in Q1:2019-20. Survey also observed that the respondents expect mod-

The 45th round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter January-March 2019 covered 843 manufacturing companies.

est improvement in demand conditions in Q2:2019-20. The outlook on the overall financial situation remains optimistic, albeit with some moderation in sentiment on availability of finance from internal accruals and banks; optimism on availability of finance from overseas in Q2:2019-20 rose slightly. With moderation expected in the cost of raw materials, manufacturers are upbeat about profit margins in Q2:2019-20, despite moderation of optimism on selling prices. The Business Expectations Index (BEI) edged down from 113.5 in Q1:2019-20 to 112.8 in Q2:2019-20.

4. OBICUS Survey on the Manufacturing sector – Q4:2018-19

The 45th round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) for the quarter January-March 2019 covered 843 manufacturing companies. The survey provides a snapshot of demand conditions in India's manufacturing sector. Survey concluded that Capacity Utilization (CU) at the aggregate level rose by 0.2 percentage points to 76.1 per cent in Q4:2018-19, co-moving with de-trended manufacturing output in the index of industrial

production (IIP). Seasonally adjusted CU, however, declined by 1.1 percentage points to 74.5 per cent in Q4:2018-19. Although fewer new orders were received in Q4:2018-19 relative to the preceding quarter, order books increased on a year on year basis and moved into expansion zone on the back of favourable base effects. A rise in the ratio of FGI to sales essentially reflected a decline in sales. The rise of Raw Material Inventory (RMI) to Sales Ratio was entirely due to contraction in sales.

The survey shows policy concerns

True, every voice expressing the concern to Indian economy is not intended to condemn government and therefore government need to think over its prevailing policies and address the concerns of Indian commons. Recently, Government has shown concerns and acted to address some of the issues and hoped to make some difference to the Indian economic situation. Indian inflation is under control and will hopefully remain so in the year. The survey expected real GDP growth in the range of 6.5-6.9 per cent in 2019-20 and 7.0-7.4 per cent in 2020-21 and real gross value added (GVA) to grow by 6.7 per cent in 2019-20 and to rise by 7.1 per cent in 2020-21 which is not a negative aspect. As per the surveys, Overall business sentiment remained upbeat and manufacturers are upbeat about profit margins in Q2:2019-20, despite moderation of optimism on selling prices. Therefore, the need is not be pessimistic about Indian economy and join the fear mongers. Strong government can take positive decisions and help change the scenario. □□

The Harvest of hope



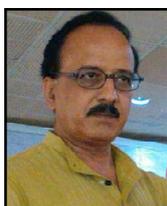
FINALLY, the government has admitted in Parliament that it is not possible to double farm income by 2022. Replying to a question by Samajwadi Party leader Ram Gopal Yadav in the Rajya Sabha, Minister of State for Agriculture Parshottam Rupala said: “We agree that it is not possible to double farm income with the current growth rate in the agriculture sector.”

The growth rate in agriculture is hovering around less than 4 per cent annually. The Dalwai Committee on Doubling Farmers’ Income (DFI), set

up in April 2016, had projected a farmer income growth rate of 10.4 per cent to achieve this, and many economists say this would require a very high economic growth rate. I am glad the minister has finally put a lid on a promise that wasn’t so easily workable. He agrees to follow other approaches, including enhancing non-farm income.

This should hopefully end the series of seminars, conferences and workshops on DFI that are being held in universities and colleges and by civil society organisations for over two years now, knowing very well that it wasn’t possible to do so. At a time when real growth in farm income had remained ‘near zero’ in the past two years, and prior to that the Niti Aayog had estimated real farm income to be growing at less than half a per cent every year during the five-year period (2011-12 to 2015-16), not many talked of the radical structural transformation agriculture is crying for. Instead, the emphasis remained on upgrade and refinement of available approaches by focusing on schemes like soil health cards, neem-coated urea, Fasal Bima Yojana, National Agricultural Markets (e-NAM), more crop per drop etc., which are important but surely not enough to double farm income. What is needed is direct income support, which is a better way of income augmentation.

Although the government has set up an Empowered Committee for the implementation and monitoring of the recommendation of the DFI Committee report, submitted in September 2018, the acknowledgement that doubling farmers’ income in the next two years is not possible will certainly help in initiating long-term reforms that the sector is in dire need of, and where the focus needs to shift to. The first and foremost is the need to boost public sector investment in agriculture. The continuing bias against agriculture becomes apparent when one looks at the Reserve Bank of India statistics, which tell us that the public sector investment in agriculture remained close to 0.4 per cent of the GDP between



The time has come to invest in human resource, which is the biggest strength of Indian agriculture.

Devinder Sharma

2011-12 and 2016-17. Considering that nearly half the population is dependent on agriculture, this speaks volumes of the deliberate neglect of farming.

I don't think any economist can vouch for a miracle in agriculture without adequate investments flowing in. Not even half a per cent of the GDP is being invested in agriculture year after year, primarily because the dominant economic thinking does not consider agriculture to be an economic activity. The entire effort has been to move people out of agriculture rather than to focus on making farming a viable and sustainable enterprise. This has to change, and an indication to this came from the BJP manifesto which promised an investment of Rs 25 lakh crore in agriculture. But the Budget 2019-20 makes a provision for Rs 1,30,485 crore for agriculture, including Rs 75,000 crore allocated for the remaining three instalments of the PM-Kisan scheme. Besides direct income support, the agricultural market infrastructure (including warehouses and godowns) needs appropriate budgetary allocations along with investments for link roads connecting villages with new upcoming APMC (Agricultural Produce Market Committee) mandis.

Interestingly, while agricultural scientists and economists normally shy away from spelling out the radical reforms agriculture needs for enhancing real farm income as well as to restore the lost pride in farming, the Punjab and Haryana High Court has in a recent judgment said the minimum support price (MSP) for agriculture should be three times the cost of production to save farmers

from distress. "Though the MSP is being announced since 1965, the stark reality is that it has not boosted the income of farmers to bring them out of abject poverty. Time has come when the MSP be given legal force by granting legal rights to the farmers to get fair value for their crops." The direction to provide legal status to the MSP by bringing in an appropriate legislation came from a Division Bench of Justice Rajiv Sharma and Justice HS Sidhu, which also spelt out a series of reform measures, including removing middlemen, setting up warehouses, weather-based crop insurance, using Internet technology, debt servicing etc. that agriculture requires.

Earlier, the Commission for Agricultural Costs and Prices (CACP) had called for making the MSP a legal entitlement. It had highlighted how farmers in remote parts don't have access to regulated APMC markets and they have to sell their produce in the local haats much below the MSP. In the past two years, farmers had reportedly sold pulses, oilseeds and coarse cereals at prices 20 to 30 per cent lower. Even in the case of wheat and rice, the two crops that are procured, farmers are unable to realise the minimum price except at places where a robust procurement system prevails. Low prices of wheat and paddy in Bihar force unscrupulous traders to transport the produce to Punjab and Haryana to get a higher MSP.

Making the MSP a legal instrument not only instils confidence among farmers, but will also assure them minimum price, thereby enhancing farm income, reducing debt, and minimising farm distress. Raising the MSP to thrice the

average weighted cost of production, including imputed rent and interest on owned land and capital, is a very valid recommendation. It is doable, and my suggestion is to have two price bands — one at which the procurement is made at the MSP, and the second be the actual price that the farmer has to be paid. As all farmers are now linked with Jan Dhan bank accounts, the gap between the two bands can be transferred to the farmer's bank account.

Such a delivery system will ensure that food inflation remains in control, and at the same time farmers get the legitimate price they are entitled to but have been deprived of. Of the Rs 25 lakh crore investment promised in the BJP manifesto, even if Rs 5 lakh crore is disbursed as enhanced price to farmers routed through the PM-Kisan scheme, the face of Indian agriculture will change forever, for the better.

The time has come to emerge out of the obsession with growth figures in agriculture. It is time to invest in human resource, the biggest strength of Indian agriculture. With more investments in raising real farm income, more of farmers' money will automatically be invested in improving farm techniques. Higher the farm income, higher will be the rural demand generated, speeding up the wheels of industrial development. At a time when the country is witnessing a slowdown, creating more demand is the biggest challenge, which can only come from agriculture. Investing in agriculture is the surest way to bail out the economy. This is the way to Sabka Saath, Sabka Vikas. □□

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<https://www.tribuneindia.com/news/in-focus/the-harvest-of-hope/813177.html>

Economics of Article 370

Article 370 of the constitution of India provided special status to the old state of Jammu and Kashmir. It equipped the state with a separate constitution and a separate flag along with a lot of other tools to preserve their separate identity. Apart from foreign affairs, defense, and communication, the state was independent to make policies and change rules to be applicable within the state. It means that the rules formulated by the parliament of India whether it be related to finance or any other public cause won't be applicable to the old state of Jammu and Kashmir unless and until it is discussed in the legislature of the state and the state is willing to implement it. It broadly affected the fundamental rights of the people of the state in comparison to people of the rest of the country, it conflicted with the ownership rights regarding real estate property and rights regarding citizenship of the country. For example- very conveniently the vested forces played with the citizenship rules to deny the rights of the people of the state. On one occasion they are the citizen of the old state of Jammu and Kashmir and on the other occasion they are not- there are ample stories to prove it. For example- those who migrated from West Pakistan to settle in different areas of Jammu, Kathua, and Rajouri were struggling to participate as a bona fide citizen in democratic processes, education and government jobs within the Jammu and Kashmir itself.



Parliament of India revoked article 370 of the constitution of India. There was space in the drafts that article 370 is temporary, transitional and was a special provision and is hence revocable at the appropriate time.

Alok Singh

These provisions provided fertile land for vested politicians and political parties- whether it be regional or national, to harvest their greed consistently without planting anything constructive for the future of the state and for the future of the people of the state. The only objective of the political parties were to talk and talk and talk- without committing anything which can be economically viable to the people of the state. The consistent loss of business and lack of job opportunities had forced the people of the state to look for alternatives and were desperate to change the system. The locals have already paid to various political



parties and political groups- with their lives, money, education, family and all that they had for the sake of fulfilling their dreams of peace and prosperity, which kept on postponing due to one reason or the other, due to new constraints, due to new beliefs, due to new ideas or due to selling of unrealistic hopes- by leaders within the border as well as so-called well-wishers across the border. The people realized that everyone is fooling them- they did what others (i.e. virtual dream sellers) demanded- but now- they were in disposition to exploit the first opportunity to make themselves normal- just like any other Indian citizen.

Recently the Parliament of India revoked article 370 of the constitution of India. There was space in the drafts that article 370 is temporary, transitional and was a special provision and is hence revocable at the appropriate time. After too much serious debate- the people of old Jammu and Kashmir has got their due rights- in brief the most important achievement is that the people of the state can now fix accountability and seek solutions- just as rest of India gets it or fights for it in a democratic way.

Each policy has an economic perspective. With the changing economics of the world, the perspective changes and so does the policy. There is exclusive economics of terrorism as well as exclusive economics of Naxalism, and so there is exclusive economics of article 370. The new status of old Jammu and Kashmir has bought a lot of expectations to the people of the region. Earlier there was no clarity to complain about an issue, where to go in case of a dispute for speedy justice, whom to ap-

The new status brings with itself a lot of economic opportunities to the Union Territory of Jammu and Kashmir, and the Union Territory of Ladakh.

proach for investment, who will work for friendly trade policy, and a lot more. The earlier situation was convenient to corrupt politicians and corrupt business persons as it was easy for them to derive factors of joblessness, and other issues from one platform to the other without owning any responsibility on their shoulders.

The new status brings with itself a lot of economic opportunities to the Union Territory of Jammu and Kashmir, and the Union Territory of Ladakh. Now, the central government is solely responsible for the growth and solving problems of these two new Union Territory. There is clarity who will make people-friendly, business-friendly, and student-friendly policies; and who will finance mega-projects; and who will be accountable for law and order; and who will provide safety as well as facilitate resources, provide subsidies, supply skills, and develop the market to the businesses and in the long run will work for sustainable development of the region. The new status has bought with itself a huge safety valve to the people of these two new Union Territory of India.

The tourism sector is the biggest victim of terrorism. Meanwhile, the profile of the tourism

industry has changed a lot. The technology-driven world has moved too fast and has impacted the tourism sector also. The whole of the tourism supply chain and tourism logistics as well as tourism financing has seen a vast change in the way the business is done. The tourism industry created multiple segments having a different target audience. The domain of tourism industry has itself changed - from luxurious tourism to budget tourism, from nature tourism to spirituals tourism, from adventurous tourism to medical tourism, etcetera. The new scenario also provides an opportunity for the chain of medical hospitals to come up with facilities to promote medical tourism- not only internationally but domestically as well. So, medical tourism results in the establishment of a world-class hospital, the modern hospital will result in businesses for the construction industry and medical supply facilities, and so on. Apart from skilled professionals, it will create a lot of job opportunities for the unskilled population as well. Medical tourism alone has a huge multiplier effect.

The marketing, manufacturing, warehousing, logistics and a vast network of other business opportunities are striking at the doors of the local population to partner for the global reach of their products. The industries such as Handicrafts, Sericulture, Handloom, Horticulture, Food Processing, and agriculture provides a big scope of investment and in the process opportunity for wealth creation and job creation for the population. It's an opportunity for the stakeholders to speed up the dreams of Make in India and Made in India. □□

Pt. Deen Dayal Upadhyaya in the Modern History of India: Glimpses from his life

Pandit Deen Dayal Upadhyaya, a bright star in the modern and contemporary history of India has not found much attention in political or socio-economic history of contemporary India. He was a true son of the soil of India. He was committed to the alleviation of poverty and ignorance from the life of Indian mass.

Deendayal wanted to provide his service for the upliftment of the country to make her virile, valiant, strong and prosperous. According to him, the only way to strengthen their country was to organize the society in accordance with the ideas and principles of RSS. Deendayal was greatly influenced and inspired by the ideology of RSS. He was determined to work for the RSS, but when he realized that he could not discharge both the responsibilities of a job and RSS, work simultaneously in a satisfactory manner then with a specific objective in life, he dedicated his entire life fully for the work and mission of the RSS. He left the idea of doing a job and the work of the RSS, became his priority and an objective of life. Shanti Bhusan has written, “Deendayalji always wanted to dedicate his life to the country, because he believed that service of the country was not possible after taking up a government job while the country was in bondage. So he dedicated his life to the service of the country, and for this he chose the medium of the Rastriya Swayamsevak Sangh.”

It is noteworthy that during forties when he became a full time worker of the RSS, the struggle for freedom movement in India was at its peak. Deendayal was against the alien rule, however he did not participate in the freedom struggle under the leadership of Mahatma Gandhi. He was desperately concerned to realize the objective of organizing Hindu society as per the programme and policy of the RSS. To him, strengthening of RSS work would help to realize the desired goal of all round social development. Therefore, he dedicated himself enthusias-



Pt. Deen Dayal Upadhyaya was one of the modern economic thinkers of India with immense relevance for contemporary India with reference to the concept of SWADESHI.

Prof. Nandini Sinha Kapur



History

tically and diligently to the RSS and preferred a different way of life.

In the year 1940, the Muslim League demanded separate state for the Muslims. Deendayal opposed the demand for partition of India. He worked to combat Muslim fundamentalism and to integrate the Hindu society. The founder of RSS in district Lakhimpur of Uttar Pradesh (organizer) of RSS in district Lakhimpur of Uttar Pradesh till 1944 and was promoted to joint provincial organizer in the organizational hierarchy of RSS in Uttar Pradesh and continued till 1951. He worked and strove very hard to strengthen RSS. While remaining of various positions of organizational hierarchy, he earned repute and acclaim in the organization because of his hard work, dedication, sincerity, organizing skills and capacity, loyalty and commitment towards the RSS. Nanaji Deshmukh has written, "Deendayal was gifted with a many faceted personality. He was an extraordinary successful organizer and had the knack of keeping people together. His role in the growth and development of the Rastriya Swayamsevak Sangh in Uttar Pradesh was very significant.

Deendayal also steered and geared up the organizational work by professing the ideas of RSS by exhibiting academic talent through different journals. In 1945 he founded "Rashtra Dharam Prakashan" in Lucknow and launched a monthly journal Rashtra Dharma. He also launched the weekly Panchjanya in 1948 and daily Swadesh during 1949-50 of these periodicals only Panchjanya achieved the status of an all India weekly Journal and is now published from Delhi. The monthly,



Deendayal also steered and geared up the organizational work by professing the ideas of RSS by exhibiting academic talent through different journals.

Rashtra Dharma continued to be published from Lucknow but the daily Swadesh is replaced by Tarun Bharat and is published from Lucknow. Deendayal Upadhyaya wrote two books namely Samrat Chandragupta and Jagat Guru Sankracharya, which were published in 1946 and 1947 respectively. Later, he expressed his ideas in a number of philosophical essays and speeches, which are contained in the books and booklets such as integral Humanism, Rashtra Jeevan Ki Disha, Bharatiya Arth Niti Vikas Ki Ek Disha, akhand Bharat Aur Muslim Samasaya, Hindi Sanskriti Ki Visheshta, the Two Plans, Political Dairy, Devaluation: A Great Fall, His Presidential Address, etc.

In 1947, India got independence. The Congress Party headed the government. Differences between Congress and RSS, surfaced on some issues. After the death of Mahatma, the relation between Congress and RSS, became highly soured. The latter was accused of murdering Mahatma Gandhi, but its leaders disclaimed any involvement in this heinous crime. The government imposed a ban on RSS and ordered an inquiry. The accusation was not proved. Therefore, the ban on R.S.S and its activities was lifted. But differences between RSS and Congress still continued to worsen, and the climax came in 1950.

On April 8, 1950 the Nehru Liaquat Ali agreement was signed. RSS dubbed the pact as unilateral. The Government was accused of surrendering Indian interests to Pakistan. RSS opposed the agreement tooth and nail.

He is famous for his economic ideas on SWADESHI" and "Decentralisation". "SWADESHI" and "Decentralisation" are the two words which can briefly summarize the economic policy suitable for the present circumstances. Centralization and monopolization have been the order of the day for all these years, knowingly or unknowingly. The planners have become prisoners of a belief that only large-scale centralized industry is economic and hence without worrying about its ill-effects, or knowingly but helplessly they have continued in that direction. The same has been the case with "Swadeshi" The concept of "Swadeshi" is ridiculed as old-fashioned and reactionary. We proudly use foreign aid in everything, from thinking, management, capital, methods of production, technology, etc. to even the standards and forms of consumption. This is not the road to progress and development. We shall forget our individuality and become virtual slaves once again. The positive content of "Swadeshi" should be used as the cornerstone of reconstruction of our economy. □□

SJM calls for ban on Chinese telecom products; says 5G play should be 100% indigenous

Swadeshi Jagran Manch (SJM) has cautioned against the overdependence of India on telecommunication infrastructure from China. Terming it as a serious security risk, SJM wanted India to fully indigenise the country's telecommunications network and reserve it for Indian companies on security grounds, as such a move cannot be challenged in the WTO. The call for indigenisation of telecom network came after a half-day long brainstorming session SJM had with a group of high-tech indigenous cybersecurity small and medium enterprises (SMEs) and telecom companies on August 17 in Delhi.

"SJM fully supports the call for indigenisation and Swadeshi as Indian companies have the full panoply of capabilities to build a 100% indigenous network", SJM said. "The telecommunications scenario in India is troubling. Firstly, China today controls a significant section of India's Telecom networks even though Information Dominance is at the core of China's military strategy, posing an unacceptable security risk. Secondly, Domestic companies are being denied the chance to compete in their own market even though they meet world-class standards and even if they outbid Chinese competition in foreign markets. All the value creation is taking place in China while the Indian ecosystem is deprived of value-added high-tech production and good jobs", an SJM statement said.

The Indian firms had pointed out that Chinese companies with massive support from the Chinese State, are allowed to vastly underbid Indian companies and win tenders for critical infrastructure. "Chinese companies are able to evade customs duties while Indian companies are not paid their dues by the Department of Telecommunications; Indian bidders are also forced to adhere to specifications that are not operationally required but are met only by MNCs; Indian companies are thus discriminated against and do not have a market in their own country. They get no support from the Government while the industries of other countries get full Government support," the complaints from Indian firms said.

SJM has said that India must recognise the full extent of the national and economic security threat posed by foreign and especially Chinese equipment in India's ICT networks.

"Telecommunications must be declared a critical and strategic infrastructure vital to India's security, so that bans on imports cannot be challenged in the WTO, 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 PSUs to private telcos must be restored to PSUs on the condition they procure from domestic manufacturers", SJM points out. SJM also wanted the government to explore the possibility of banning Chinese imports for the government procurement under clause 10d of the DPIIT policy on Make in India. It called for a probe into the complaints of "conflict of interest" in government-appointed bodies that oversee the tender process as it is allegedly resulting in awards to foreign companies after imposing unfair criteria on Indian companies.

Calling for timely payments to Swadeshi telecom companies to help them invest in R&D, SJM wanted India's 5G play to be totally Indigenous. "The Cloud component of 5G Core (i.e. apps, infra, and data in the cloud) must be located in India. India will have to pay royalties even for indigenously-built 5G equipment, so compulsory licensing can be introduced and 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", the group suggested.

It called for a national policy on Standard Essential Patents (SEPs) and the formation of a Cybersecurity Consortium/ Large Scale Integrator composed of indigenous high-tech cybersecurity MSMEs/ Start-ups to compete with MNCs as end to end solution providers under one umbrella.

"If these measures are implemented India can 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", SJM said.

<https://www.businesstoday.in/sectors/telecom/rss-affiliate-sjm-ban-on-chinese-telecom-products-5g-play-should-be-100-per-cent-indigenous/story/373426.html>

SJM opposes Walmart



Swadeshi Jagran Manch (SJM) has cautioned the Narendra Modi government to avoid any dealings with American multinational Walmart, saying the government needs to rethink its strategy on allowing such companies to operate in India.

The SJM also said Walmart was among the biggest sellers of Chinese goods, causing havoc for small traders, and was the worst employer in the world. SJM co-convener Ashwani Mahajan asked the Modi government to try and find out the loss of employment and livelihood caused by Walmart the world over.

"This company is doing no good anywhere. It's the biggest seller of Chinese items, causing havoc for small traders and is the worst employer in the world," he tweeted. The senior SJM official's comment came after he quoted a tweet where a delegation posted a picture of Walmart and Flipkart officials calling on agriculture and Rural Development Minister Narendra Singh Tomar.

<https://www.deccanchronicle.com/nation/current-affairs/280819/rss-arm-opposes-walmart.html>

Withdrawal of enhanced surcharge on FPIs result of blackmailing by foreign investors: SJM

SJM said withdrawal of super-rich surcharge on foreign investors is a result of "an act of blackmail-



ing" of the government by overseas investors, and if the situation permits the Centre should reimpose this tax after some time. The remarks of the Swadeshi Jagran Manch, an economic wing of the BJP's ideological parent RSS, came after Union Finance Minister Nirmala Sitharaman announced to roll back the enhanced surcharge, imposed on foreign portfolio and domestic investors in the 2019-20 Budget, as part of a slew of measures to boost sagging economic growth.

"Under the circumstances where the country's economy is dependent on investment from foreign investors or foreign portfolio investors... they always try to blackmail you. Removal of the tax should be seen in that direction," SJM co-convener Ashwani Mahajan said. "The SJM sees it as a result of an act of blackmailing by foreign investors," he said, adding if the situation permits the "government should reimpose the tax after a gap."

He also suggested that in the long term, the government should substitute imports to minimise its foreign exchange requirement "so that the future dispensations are able to take decisions in the best interest of the country as they had done earlier in this case, but they were pressured." Mahajan said the dependence on FDI and FPI has to be reduced so that "foreign investors are not able to blackmail you".

<https://www.indiatoday.in/business/story/withdrawal-of-enhanced-surcharge-on-fpis-result-of-blackmailing-by-foreign-investors-sjm-1590991-2019-08-24>

Start behaving like a normal nation, stop exporting terror, India tells Pakistan

The government hit out at Islamabad on Thursday over calls for jihad and hostile statements from Pakistani PM Imran Khan and other top leaders on the Kashmir issue and said these were tantamount to interference in India's domestic affairs. It again called upon Islamabad to stop using terrorism as an instrument of state policy.

"We strongly condemn highly irresponsible statements by Pakistani leadership on matters internal to India," MEA spokesperson Raveesh Kumar said while responding to queries from journalists.

"These statements include references to jihad and to incite violence in India, this is intended to project an alarmist situation which is far from ground reality. Pakistan needs to understand that the world has seen through their provocative rhetoric based on lies and deceit," he added. The official urged Pakistan to be-

have like a normal country by not sending terrorists to its neighbours. He also dismissed the letter written by Pakistani minister Shireen Mazari to the UN on alleged human rights violation by India in J&K as "not worth the paper it was written on".

"They should see what is happening in their house before making statements and everybody knows what is happening, their house is on fire," Kumar said.

"We are all aware Pakistan has been using cross-border terrorism as an instrument of its state policy. We have been continuing to highlight our concerns with them. Pakistan has an obligation to take action against terrorists and terror groups operating from its soil," he added.

Asked about intelligence inputs of a possible infiltration by terrorists through the sea route, Kumar confirmed that there were such inputs and said the security forces were prepared to "deal with any eventuality".



Referring to the J&K governor's statement on Wednesday, Kumar listed several steps to be taken by the administration such as filling 50,000 vacancies in government departments, minimum support price for the apple crop and Nafed committing Rs 5,000 crore to procure apples produced by the state. He also dismissed reports that there was shortage of essential drugs in J&K.

"The local government is handling the situation with maturity and restraint. Not a single life has been lost, not a single live bullet has been fired. The administration is putting all the necessary resources so that normalcy returns to the state as soon as possible," Kumar said. On reports of Pakistan closing its airspace, he said there was no official statement from Pakistan confirming that it had closed the airspace. "What we understand is that there was a notice to airmen which was issued for diversion of certain sectors or certain routes temporarily, reasons for which Pakistan has to share," he said.

https://timesofindia.indiatimes.com/india/start-behaving-like-a-normal-nation-stop-exporting-terror-india-tells-pakistan/articleshow/70901606.cms?utm_medium=referral&utm_campaign=ROSapp&utm_source=twitter

Mild India recovery from slowdown by March next: Goldman Sachs



Global broking firm Goldman Sachs has forecast a mild recovery of the Indian economy from the economic slowdown by March next year, assuming a significant pick-up in consumer confidence and loosening of domestic financial conditions.

"The pick up in confidence could emanate from policy and regulatory measures already taken jointly by the government and the RBI, along with expectations of further announcements. Overall, our baseline forecast implies a pick-up in CAI (Current Activity Indicator) of 0.3 pp by March 2020, with predicted CAI increasing to 6.6 per cent from its current level of 6.3 per cent," Goldman Sachs said in 'India's Economic Slowdown: This Episode is Different'.

The broking house further said it expects a moderate pick-up in economic activity. "Our forecasts assume a substantial improvement in consumer confidence over the course of the year, and a significant easing in domestic financial conditions."

As of June 2019, the current slowdown has lasted for 18 months - making it the longest episode since 2006. It further added "Notably, the start of the current slowdown dates to January 2018, well before the concerns relating to NBFCs started to surface early September." Given the timing of the slowdown, it seems to be the case that the default episode could not have been the trigger behind the slowdown. However, it could very well be a symptom of the underlying problems that likely predated the actual default, it said.

Even though the slowdown does not seem to be initiated by the default episode, the liquidity problems still intensified post the default, and seems to have contributed significantly to the overall extent of the slowdown, said Goldman Sachs. More than half of the decline in activity during the current slowdown phase

has been driven by consumption, and a third of the consumption slowdown is concentrated in autos.

Notably, the consumption slowdown appears to be broad-based, with components other than auto contributing more than twice the effect of autos to the total consumption decline. The firms said India has taken steps to control the slowdown. Indian policy-makers have acted to mitigate the current slowdown. Policy interest rates have declined by 110 bps in 2019.

The RBI has urged banks to enhance transmission, and is exploring a new regulatory framework to introduce external benchmarks for pricing of banks' assets and liabilities. State-owned banks (SoBs) are being recapitalized, and a partial guarantee scheme for the securitization of loans to NBFCs by SoBs was announced in the FY20 budget, it said.

<https://economictimes.indiatimes.com/news/economy/indicators/mild-india-recovery-from-slowdown-by-march-next-goldman-sachs/articleshow/70871805.cms>

RBI board accepts Jalan panel report, approves surplus transfer of Rs 1.76 lakh cr to govt

Central board of the Reserve Bank of India (RBI) on Monday accepted Bimal Jalan committee's recommendations and approved a surplus transfer of Rs 1.76 lakh crore to the government. The surplus comprises Rs 1,23,414 crore for 2018-19 and Rs 52,637 crore of excess provisions identified as per the revised Economic Capital Framework (ECF) adopted at the board meeting held today.

Sameer Kalra, Founder of Target Investing, said the surplus transfer, which is 1.25 per cent of the GDP (2018-19), will give some cushion to the government for higher PSU capex, which is required to meet high growth rate. The central bank, in consultation with the government, had constituted a committee chaired by former RBI governor Bimal Jalan to review the extant economic capital framework of the RBI.

"The committee's recommendations were based on the consideration of the role of central banks' fi-



ancial resilience, cross-country practices, statutory provisions and the impact of the RBI's public policy mandate and operating environment on its balance sheet and the risks involved," RBI said in a release.

Hence, the resilience of the RBI needs to be commensurate with its public policy objectives and must be maintained above the level of peer central banks as would be expected of a central bank of one of the fastest growing large economies of the world, the central bank said.

On the framework of transfer of excess reserves, the committee recommended a surplus distribution policy, which targets the level of realised equity to be maintained by the RBI, within the overall level of its economic capital vis-à-vis the earlier policy, which targeted total economic capital level alone.

"Only if realised equity is above its requirement, will the entire net income be transferable to the government. If it is below the lower bound of requirement, risk provisioning will be made to the extent necessary and only the residual net income (if any) transferred to the government," RBI said in a release.

While the revised framework technically would allow the RBI's economic capital levels as on June 30, 2019 to lie within the range of 24.5 per cent to 20.0 per cent of balance sheet (depending on the level of realised equity maintained and availability of revaluation balances), the economic capital as on June 30, 2019 stood at 23.3 per cent of balance sheet.

As financial resilience was within the desired range, the entire net income of Rs 1,23,414 crore for the year 2018-19, of which an amount of Rs 28,000 crore has already been paid as interim dividend, will be transferred to the government. This is in addition to the Rs 52,637 crore of excess risk provisions, which has been written back and consequently will be transferred.

The six-member panel was appointed on December 26, 2018, to review the economic capital framework (ECF) for RBI after the finance ministry wanted the central bank to follow global best practices and transfer more surplus to the government.

The surplus capital transfer is expected to help the government meet fiscal deficit target as it will come as a windfall to the exchequer.

The government has set a fiscal deficit target of 3.3 per cent of the gross domestic product (GDP) for the current fiscal, revised downward from 3.4 per cent pegged in the interim Budget in February. □□

<https://economictimes.indiatimes.com/markets/stocks/news/rbi-board-decides-to-transfer-rs-1-76-lakh-crore-to-govt/articleshow/70845507.cms?from=mdr>

Swadeshi Activities

Rashtriya Vichar Varga, Jabalpur (M.P.)

Pictorial Glimpses



Rashtriya Vichar Varga, Telengana



National Seminar on 'Indian Economy Current Scenario' in Agra



A program on 'China's role and Indian side with reference to Articles 370 and 35A' Kotdwar, Uttarakhand



Swadeshi Activities

Protest against China Goods & Services

Pictorial Glimpses



Muradabad, UP



Muzaffar Nagar, UP



Alwar, Rajasthan



Baghat, UP



Bahadurgarh, Haryana



Telangana



Jamshedpur, Jharkhand



Pune, Maharashtra



Jodhpur, Rajasthan



Kashi

