

Freedom First

The Liberal Magazine

A BARREN OUTLOOK

Why the Indian farmer
continues to be at the
mercy of the monsoons
and inept governance.

Freedom First believes in an open society based on minimum government and maximum freedom tempered by a sense of individual responsibility, in which the people's genius has a fair opportunity to develop and grow; we reject any ideology, movement or policy that sets one group of citizens against another be it based on class, caste, religion or envy.

CAN THE SWATANTRA PARTY BE RESURRECTED?

Not many have responded to this query published in this space – the front-inside cover of the July 2014 number of FF. Among the few who did was my good friend Professor Ramesh Babu, who as readers of *Freedom First* are aware has his column on international affairs in our journal – “Foreign Policy in the Twenty First Century.

I was therefore pleasurably surprised when we received his letter for publication in the “From our Readers” page. In his letter he comments *inter alia*:

“We liberals should be happy and gratified that the Modi Government is apparently moving along the path of pragmatism and common sense, less government and more governance – approaches advocated by Rajaji and Masani. But it is time to give up the romantic notion of resurrection of the Swatantra Party now or at any time in the future.”

The letter is published in full on page 4.

We (some of us who were members of the Swatantra Party) began the process of re-activating (not resurrecting which perhaps is not the right word to have been used) the Swatantra Party as far back as 1994. Why? Because we felt that the reversal of economic policies by the Congress (I)’s Narasimha Rao Government was not based on conviction but compulsion. This being the case we felt that there was need for a party that believed in a market economy to explain, encourage and support the dismantling of the licence-permit-quota raj and carry forward the reforms to their logical conclusion – discarding the statist apparatus. In 1994 the signs of a return to statist policy or at least a slowing down of the economic reforms were already becoming apparent.

That our suspicions were not unfounded soon became evident when we applied for registration of the Swatantra Party. It was only then that we came to know that the Congress (I) had in 1989 amended the law making it compulsory for political parties to “swear allegiance” to socialism or be denied registration. We filed a writ petition in the Bombay High Court seeking to annul this requirement. The writ petition was admitted in December 1995. Today, almost twenty years later we are still waiting for the petition to be heard. Every political party that is registered today, including the BJP has “sworn allegiance” to socialism! If our writ petition arises out of our “romanticism” so be it.

So the first step we needed to take to get into the active political arena was to secure registration under the amended Act. This has been stymied by the Bombay High Court. We need to cross that hurdle because the Swatantra Party does not want to tell a lie and swear allegiance to a political ideology it does not believe in. If this is “romanticism”, so be it.

True, Narendra Modi’s government is moving along the path “advocated by Rajaji and Masani”. Therefore we have (for whatever it is worth) supported Modi’s government and will continue doing so as long as he keeps to this path. But is there any other political party that supports Modi’s policies ideologically? The Congress (I) – miscalled the Indian National Congress – is decimated but not dead. It is very much there and determined to make a comeback. This is why it so desperately wants to be recognised as the official Opposition Party and its leader as the Leader of the Opposition. We must prevent the Congress (I)’s return to power; for, if they manage that, say in the next General Elections the dynasty that owns the Congress(I) will ensure its retention of power by hook or by crook. Therefore this must not happen.

We reject the charge against Modi that he has polarised politics as being between Hindus versus Muslims. His polarisation, as the sweep of his electoral success shows, has been between those who are stuck in the mud of divisive politics viz. the Congress (I) and Modi’s politics of development and growth for all. The Congress (I) has not changed its policy of divide and rule as the recent reservation ordinance in Maharashtra shows. There is therefore need for another party that also advocates a free economy and good and efficient governance. And the only Party that can provide this is Swatantra. If this is “romanticism” so be it.

What is the “reality” which we must “reconcile” with. Which other “mainstream party” has “appropriated” the “liberal agenda”. The reality is that Modi’s strategy was to offer the voter “less government and more governance” and he imposed it on his Party. There is therefore still a need for a credible alternative to the BJP. The Swatantra Party alone can. But we need to cross the first hurdle which was placed by the Congress (I) – annulling Section 29 A of the Representation of the People Act to get registered as a political party. If this is “romanticism” so be it!

SVR

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From Our Readers

On FF's Editorial

The Editorial (July FF) is timely and most appropriate. It offers a fair assessment of the 'Modification' in the 2014 elections which ushered in the macro-politics of the nation. The distinct possibility of effective, responsive, and responsible government taking shape in the country is indeed the most welcome departure from policy paralysis and pervasive corruption. You are right in saying that nobody envies the problems Modi has inherited. The warning against harking back to avoidable controversies (Hindi, Article 370) is most welcome.

We liberals should be happy and gratified that the Modi Government is apparently moving along the path of pragmatism and common sense, less government, and more governance – approaches advocated by Rajaji and Masani. But it is time we give up the romantic notion of the resurrection of the Swatantra Party now or any time in the future.

History tells us that in country after country the liberal agenda was appropriated by the mainstream parties. Liberals should view the phenomenon as a tribute to the merit of their ideas and integrity of their leaders. Let us reconcile to the reality with grace!

Time and tide wait for no one. Past never comes back.

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USA's Snooping India for Intelligence

The Government of India has strongly objected to snooping by the United States National Security Agency. What else are Intelligence Agencies for, but to obtain information about political, economic and military matters of other countries?

Are our own Agencies not engaged in a similar pursuit? It is of interest to recall that during the 1971 War, Nixon asked his staff to give him details of the decision of Indira Gandhi's Cabinet Committee. Kissinger did not say they would try, instead he confidently said that he would find out.

Every country tries to obtain intelligence of other countries and often useful graded information comes from contacts in third world countries.

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Modi Government's Forthcoming Budget

This was received before the Budget was tabled and too late for inclusion in the July issue of FF. Nevertheless the issues raised are the common man's concerns. – Ed.

Mr. Narendra Modi has cautioned that India will have to face tough measures that would be initiated by his government in the coming days to ensure economic growth. He has virtually said that hard times are ahead for the citizens. The common men wonder as to what can be the more hard time than the present one.

Following Mr. Modi's observation, now rumours are afloat that railway fare would be increased and price of diesel, petrol and other fuel would go up. Obviously, these and similar measures will lead to further cost push inflation and result in price spiralling. Consequently, it would lead to demand for higher wages and the counter productive cycle would continue as it has been the case so far.

It is surprising that Mr. Narendra Modi and his team do not appear to have realised that increasing taxes, price of services and commodities to boost the income of the government would not provide solutions for the country's economic and industrial stagnation. On the other hand, what is needed is to apply a freeze on all sorts of tax measures and stop increase in the prices of fuel, fares etc, to minimise the economic woes of the people and boost their morale to participate in the exercise for national growth.

What is really necessary is for the government to drastically cut down wasteful government expenditures, improve efficiency and productivity in all possible ways and give up the schemes to the extent possible that amount to extending freebies.

People have appreciated Mr. Narendra Modi's stress on providing huge opportunities to the people for skill acquisition and creating employment prospects at the small and medium scale level in a big way. The investment are needed for this task and there is enough money in the country in private hands to make such investments, which can be supplemented by investments from overseas sources too.

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Editorial

“These political pundits and their comrades have been invisible since May 16, but they are back now. The day the railway fares and freight charges went up for the first time in more than a decade, was when they started to reappear. Discredited Marxists, socialists in graded shades of pink, ‘secular’ political philosophers and ex-MPs manifested themselves on news channels to gleefully taunt the Prime Minister.” – Tavleen Singh, in *The Sunday Express*, June 29, 2014

“The new government faces a tough choice. There is a mountain of bad economic policies from previous decades, especially regressive subsidies that help the better-off, which need to be tackled. The Government can meet such challenges even though its immediate popularity gives it a cushion... Many bitter pills have to be swallowed if the patient is to be restored to health and stay healthy. ‘Good governance’ promised by the PM entails tough decisions. It is only when a lot of the toxic stuff has been eradicated that ‘*achche dine aayenge*’. – Meghnad Desai, also in *The Sunday Express*, June 29, 2014

“Alas, a series of Modi’s decisions last week were so populist, dithering and spineless as to make Manmohan Singh look a lion by comparison... When as expected, commuters protested against the new fares Modi should have explained that the increases were not only inevitable but grossly inadequate. Instead he surrendered without a fight... Why? Because Modi wants the votes of Mumbai’s commuters in the coming Maharashtra State election. This is as cynical and cowardly as anything the Congress can be accused of.” – Swaminathan Anklesaria Aiyar, also on June 29 *The Sunday Times of India*).

Freedom First agrees with all three. Tavleen Singh points out to the post 16th May storm when frightened rabbits scurried into their burrows for cover, but who got the opportunity to come out when the Railway Minister announced increases in rail fares. Not as useful as the 22 year-old accusation of ‘massacre of Muslims’ but enough to spew venom on the PM. Her warning the PM to “Ignore the Pundits” is just right.

Before May 16 the spokesmen for the BJP or Narendra Modi did, I thought, a fairly good job in the then adverse circumstances handling the ‘Madaaris’ the TV anchors who are adept in taking panel discussions in a pre-determined direction. On assuming power post May 26, the ruling party/coalition retained most of their erstwhile spokespersons. Where then was the need to conscript some cabinet ministers to the list of spokespersons. This is not such a good idea. cabinet ministers need to be sparingly used and that too only where it is a one-to-one

discussion and not part of a panel of three or more with cross talk often making it impossible for the viewer to know what is going on.

The ‘*achche din aayenge*’ promise by Narendra Modi has become a taunt in the hands of spokesmen of the Indira Congress and miscellaneous Leftists who have been routed in the elections and by the ultra sophisticated elite ‘*madaaris*’. Meghnad Desai is right when he writes that ‘*achche din aayenge*’ (good days will come) “only when a lot of the toxic stuff has been eradicated.” The toxic stuff has taken many forms after 40-plus years of Congress misrule. It will take time and will to detoxify the system.

And then there is the hard hitting criticism by Swaminathan Aiyar when he takes the Modi government to task for caving in to rail commuters’ protest “against the new fares.” Aiyar comments that Modi “should have explained that the increases were not only inevitable but grossly inadequate. Instead he surrendered without a fight... Why? Because Modi wants the votes of Mumbai’s commuters in the coming Maharashtra State election.” Aiyar may be right. It is fair criticism.

This brings us to the Budget for the nine remaining months of 2014-15 introduced by the Finance Minister. Much has been written and commented in the media. What however is of interest and which has not received adequate notice (even if it was on the front page of *The Times of India* of July 15) is what Finance Minister indicated as the direction of his government’s policy which would, hopefully, drive future budgets. He is reported to have declared:

“There is a pattern” (in his first budget as finance minister) – “I’ve consciously encouraged manufacturing, consciously encouraged real estate, consciously encouraged infrastructure and consciously encouraged agriculture. In a world of inflation, my policy has been to give more money in the hands of the spender so that he spends more and saves more.”

In the smaller print of this report in *The Times of India* of July 15, 2014, he clarified his interpretation of the term ‘Bitter Pill’ warning by the PM. “Bitter Pill is not more taxes but “could mean that for utilities the user will pay for what they use. Unless users pay utilities can’t survive. This could mean higher electricity charges and a cut in subsidies.” I don’t recall having heard such a clear statement of intent from any earlier finance minister.

Editor

Monsoon Failure

A Major Challenge to the Government of India

Ajit Karnik

The Indian Meteorological Departmentⁱ has warned that rainfall during the 2014 south-west monsoon season (June to September) is likely to be below normal to the extent of 90-96% of the long period average. It is well-known that the South West monsoon accounts for a significant percentage of the total rainfall in India. The long period (1901 to 2012) the average contribution of the SW monsoon to the total rainfall in a year has been 75%, with the highest being 84% (in 1908) and the lowest being 69% (in 1987 and 1990).

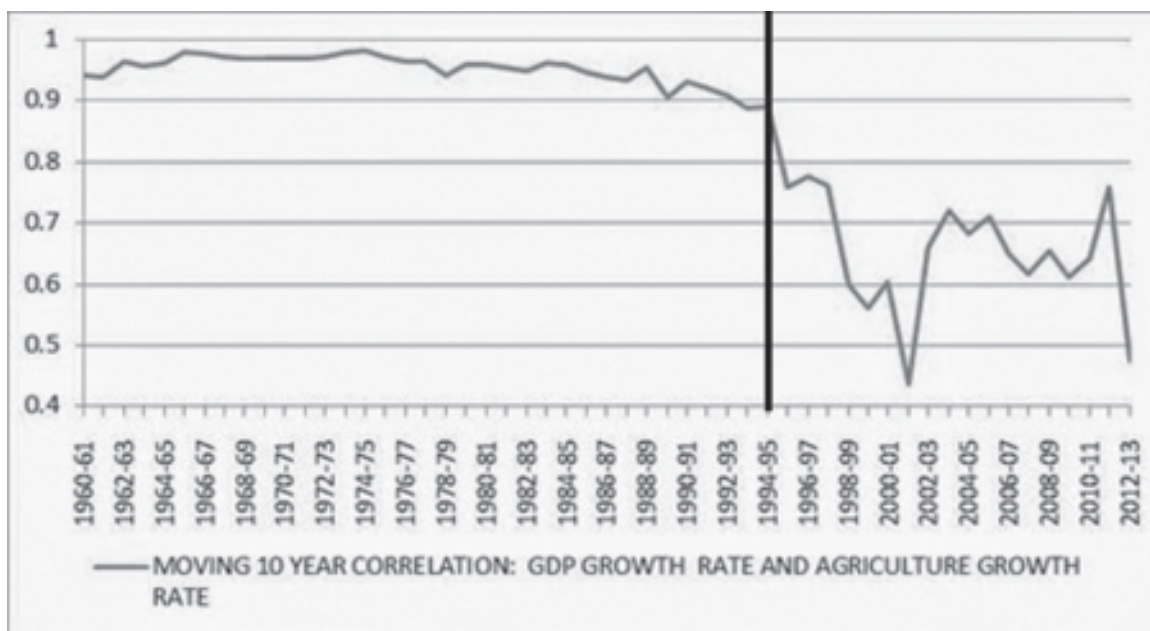
Impact of Poor Monsoon

It is generally the case that whenever monsoon fails, Indian agriculture is immediately affected and this impacts the entire economy. Even though the share of agriculture (excluding allied activities) in the total GDP of India has come down from 41% in 1950-51 to under 12% in 2012-13, the number of persons dependent on agriculture is still very high. Almost 50% percent of Indian workers are still employed in the agriculture sector.ⁱⁱ Consequently, whenever agricultural production fails, income levels in the sector drop, leading to a fall in consumption

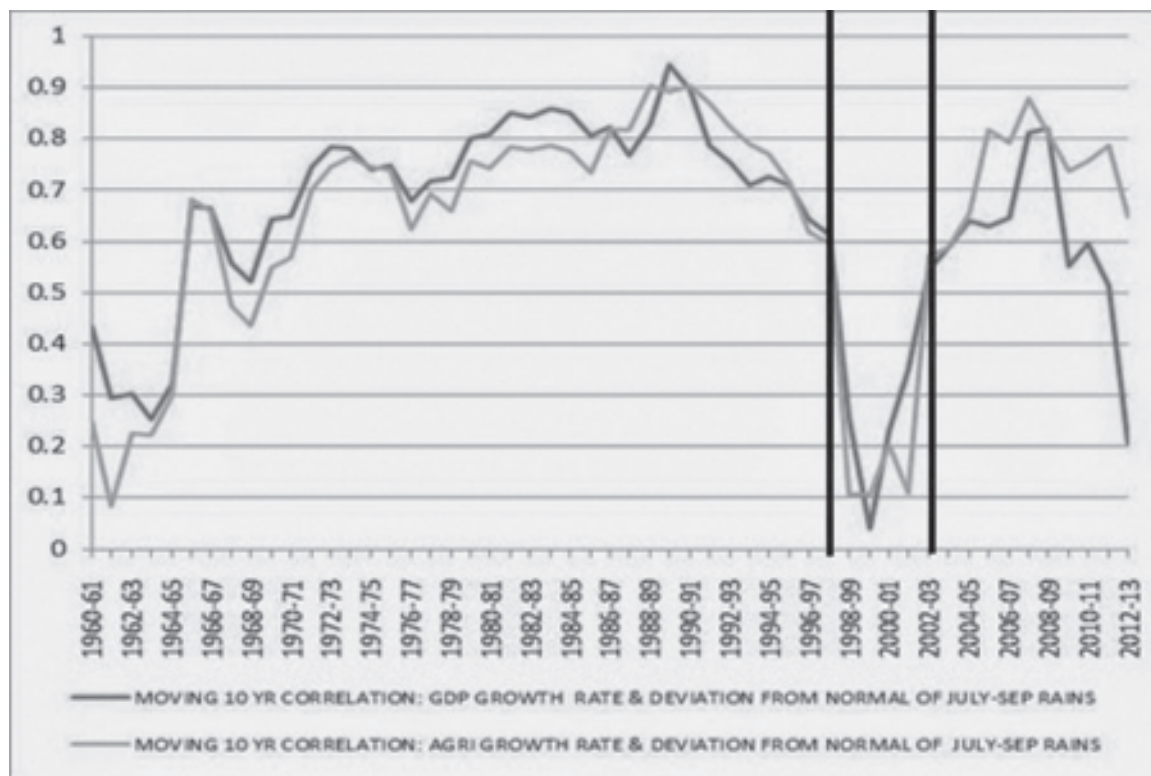
expenditure. This, in turn, reduces the demand for products and services produced in the other sectors of the economy causing these sectors to also suffer.

To some extent there has been a decoupling of the agriculture sector from the rest of the economy, so that it is to some extent insulated from the adverse performance of agriculture. The chart below plots 10-year moving correlations between rate of growth of GDP and rate of growth of GDP from agriculture.

There is a clear break around 1994-95 (see vertical



Note: The first correlation is for 1960-61 is computed over the period 1951-52 to 1960-61; the next correlation (for 1961-62) shifts the 10-year period forward by one year and is computed over the period 1952-53 to 1961-62 and so on. Correlation values lie between -1 and +1. A value closer to +1(-1) indicates strong positive (negative) association between the two variables; a value closer to 0 indicates low association



line at this point) when the correlations begin to dip sharply. The lowest point is reached in 2001-02 after which the correlations again begin to rise. It is possible to put forward the conjecture that the economic reforms, which began in 1990-91, represented a significant change in the inter-relationship between agriculture and the rest of the economy. Even though it is not as sharp in 1994-95, it is possible to discern a fall in the correlations beginning around 1990-91.

Does this mean that the economy as a whole is now insulated from an adverse monsoon? Such a conclusion would be unwarranted. Growth rates are still affected by an adverse monsoon and the consequent deceleration in agriculture. Adverse agricultural performance is still likely to shave off 1-2 percentage points from the rate the growth. The chart above shows moving 10-year moving correlations between (a) rate of growth of GDP and deviations from normal July-September rains and (b) rate of growth of agricultural GDP and deviations from normal July-September rains.

For a considerable number of years, the two correlations have been high – in excess of 0.6. However, during the period 1997-98 and 2002-03 (the segment within the two vertical lines) the two correlations dip to levels as low as 0.1. During this period, monsoon was below normal in 1998-99 (-6%), 1999-2000 (-9%), 2000-01 (-7%) and 2001-02 (-20%) and yet GDP growth rate remained persistently high except for 2001-02 when it fell to 3.8%.

Growth rate of agriculture was negative in two of the four years: -0.6% in 1999-2000 and -8.5% in 2001-02. It is not clear why there was a delinking between monsoon rains and growth rates during this period and additional research is required to come up with answers. Various reasons are possible: reduction in importance of monsoon dependent kharif crop, better irrigation facilities, and reduced dependence of rural households on agricultural incomes. None of this is conclusive and it is not clear why these effects did not become permanent. After 2002-03, the strong association between monsoons and growth rates has been re-established.

The El Niño Weather System

The likelihood of poor July-September rains for this year (2014-15) is being blamed on the El Niño weather system which affects the world every few years. Of course, there is little that can be done about the weather system since the fault, literally, lies in our stars, or more precisely, in our star – the sun. Numerous studies have shown close connection between sunspot activity, El Niño weather systems and rainfall (J.Curt Stager *et al*ⁱⁱⁱ and David Rind^{iv}). Increasing sunspot activity is associated with increasing rain while decreasing sunspot activity is associated with decreasing rains. This is true for the Indian monsoon rains as well (Hiremath and Mandi^v). It is expected that sunspot activity is likely to remain weak for a few years in the future, which means that the south-west monsoon might also remain weak in the years to come. This certainly does not

augur well for India.

Challenges Due to El Niño

It is unfortunate that the El Niño weather system has hit India within a few months of the BJP government taking office. The problems that are likely to emerge are going to be quite challenging:

1. Poor agricultural performance depresses incomes in the rural areas. It is likely that many will be pushed into poverty.
2. Lower agricultural income impacts the buying power of the rural sector which will hurt other sectors of the economy that produce products and services bought in the rural sector
3. Domestic food prices will be expected to rise and, worse, since the El Niño is a global phenomenon, world food prices are also likely to rise (Allan Brunner^{vi}). It has been estimated that El Niño has accounted for 20% of commodity price inflations over the years.
4. Rural poverty is especially susceptible to inflation in general and food inflation in particular. Hence, in addition to point 1 above, this will also likely raise poverty levels in India.
5. If food imports become necessary, this will impact India's import bill especially in a year when uncertainty in the Middle-East could drive up oil prices

It is difficult to prepare a comprehensive list of what needs to be done to combat the drought-like situation that seems likely. Some of the following seem important:-

1. Water is likely to be very scarce and prioritising its use for drinking and irrigation purposes will be essential
2. With the kharif crop likely to be adversely affected, wherever possible, compensatory rabi cultivation

needs to be undertaken.

3. Allied activities in the rural sector – animal husbandry – will also be affected. Provision of fodder to animals will be required to avoid distress sale of such animals.
4. Rural incomes are likely to be adversely affected. In such a situation, employment guarantee schemes, such as MNREGA, will be able to provide a lifeline to the rural sector. Despite its grave reservations about this scheme, the government would be well advised not to wind it down, especially this year. Providing income to rural areas will not only help sustain livelihoods but will also sustain rural demand. This will help limit the adverse impact that the drought might have on the rest of the economy.
5. Farmer suicides have been the tragic bane of agriculture in numerous states in India. There is a danger that this might see a strong resurgence due to the drought. The government must stand ready to assist those who might be unable to repay the loans they have taken.
6. Food shortages are likely to be grave. The government has already stated that it will use buffer stocks of food to keep inflation in check. This must be followed up by adequate distribution of food grains wherever these are likely to be most required.

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- ⁱ http://www.imd.gov.in/section/nhac/dynamic/2lrf_eng14.pdf
- ⁱⁱ http://mospi.nic.in/mospi_new/upload/press%20release-68th-E&U.pdf
- ⁱⁱⁱ <http://onlinelibrary.wiley.com/doi/10.1029/2006JD008362/full>
- ^{iv} http://www.giss.nasa.gov/research/briefs/rind_03/
- ^v <https://www.cfa.harvard.edu/~wssoon/Hiremath2012-d/HiremathMandi04.pdf>
- ^{vi} http://www.mitpressjournals.org/doi/abs/10.1162/003465302317332008#.U8LRS_mSyKV

Why the Japanese are Different

Japan may have lost their chance at the 2014 FIFA World Cup in the match against Greece last week, but they won hearts all over the world with their incredible gesture after - they stayed back to clean the stadium of all litter as the rest of the crowd filed out.

Wearing raincoats to protect themselves against the drizzle, and armed with garbage bags, the Blue Samurai fans set an example of true sportsmanship and goodwill, despite their loss. Unlike fans in other nations that have been known to resort to vandalism and violence (both in disappointment and exuberance) after a match, the 15,000 Japanese fans present at the Arena Pernambuco Recife, showed off a civic sense embedded deep within their cultural etiquette.

In Japan, it is common practice to clean up after concerts, sporting events and festivals. At restaurants, diners clean their own tables after a meal. And at public events, people often carry garbage back home to dispose of, instead of littering.

A Japanese football fan was quoted telling the NPR, "We try to do little bit of clean-up to show respect to the host country and just, you know, show off how clean things are in Japan. And we like to make it so here, too."

At the end of the match, the defeated Japanese players formed a line and bowed to their fans, in appreciation of their support.

The host nation, Brazil, has called this as a great example for Brazilians.

From the Net contributed by Col. T. S. Tanwar

“Minimum Government Maximum Governance”

– Victory and Aftermath

H. R. Babu Satyanarayana

A brief assessment of governance these last fifty days (May 26 – July 20)
There have been cases where, in my view, the media has overreacted

The new government, which at the time of writing has completed 50 days (from the date its ministers were sworn-in), appears to be facing more problems than achievements. No doubt Prime Minister Modi has given freedom to his ministers to express their views freely but his ministers have obviously taken it too literally and their public utterances have put the government on the back foot.

Creating Unnecessary Controversies

The first controversy to kick off and widely discussed in the media is the statement of first time Member of Parliament (MP) from Jammu & Kashmir, Jitendra Singh on Article 370 that gives special status to J&K.

The second concerned the appointment of the new General of the Indian Army made by the outgoing Congress (I) led UPA government at the fag end of their term, knowing full well that their chances of returning to power were very dim. The NDA government's finance minister Arun Jaitley, who is in charge of the Defence portfolio, upheld the outgoing government's appointment as final; but the minister of state V. K. Singh, former Army Chief of Staff and first time MP, embarrassed his government by his tweets referring to the disciplinary action taken by him against the new appointee. This gave ammunition to the Congress (I) demanding V. K. Singh's resignation.

The third was the increase of 14% in railway fares across the board. The justification that the outgoing UPA government had already contemplated such a rise, but did not implement the scheme seeing the writing on the wall, has not gone well with the public.

The fourth is the action taken on the world's largest NGO, Greenpeace, to cut off their Indian counterpart's source of foreign funds. This action stems from a report of the Intelligence Bureau (IB) that due to the agitation carried out by Greenpeace India, for instance, to protest against the Koodankulam Nuclear Power Plant in the Tirunelveli district of Tamil Nadu, has stalled India's power

generation effort.

The government sees the protest in a different light. According to them foreign agencies in the garb of fighting environmental issues are funding NGOs with the sinister motive of stalling India's progress. The common perception is that the Greenpeace movement is fighting for environmental protection and against issues relating to violation of human rights. As of now there is no clarity and many well known NGOs who are doing excellent work have also been targeted. They have all joined together and are putting a stiff fight characterizing government's action as draconian.

Some Result-oriented Governance Issues

The Prime Minister has called for efficient housekeeping and it is reported that within a short time 1.5 lakh files gathering dust have been destroyed.

It may be recalled that the PM had asked his ministers to identify 10 regulations and laws which are redundant. It is a path-breaking step which in course of time is bound to yield positive results. This will have a ripple effect in many areas of political activity including the judiciary in cutting through legal clutter reducing time for disposal of cases and streamlining the system resulting in saving time, effort and money. It may be of interest to readers that a similar step was taken in Australia. According to a report in *The Hindu* of 20 June 2014 “...to highlight the importance of deregulation, the Australian Parliament has also scheduled a biannual ‘Repeal Day’. On the first such day in 2014, the Prime Minister introduced omnibus legislation to repeal more than 10,000 pieces of law and regulations and save over an estimated \$700 million (Australian) in compliance costs in one stroke”

The NDA government has initiated steps to bring back black money deposited illegally in banks in Switzerland. Though there is tacit agreement by Switzerland to help India, it appears the tax evaders are finding ingenious ways to evade being caught by converting the money into gold and jewellery. It is to be seen how effective will be India's effort to catch the tax evaders but certainly

it must be sending signals to such tax evaders that the avenue for stashing money abroad with ease is going to be far more difficult.

Right from the start the PM has closely interacted with his ministers and bureaucrats to streamline the system to dispose of cases quickly and also bring in accountability. In earlier days, lunch time used to be extended and officers and staff were found leisurely wandering in groups when they were supposed to be at their desks and working. That scene has now disappeared according to recent reports emanating from Delhi. This is a paradigm shift in attitude and bound to reflect positively on efficiency.

PM Narendra Modi has fixed two months for ministers to declare their assets. It is expected that he is working towards evolving a policy to make the life of corrupt people difficult.

At his ten-minute address to his party's MPs at the two-day seminar at Surajkund to brief them on parliamentary procedures, was, according to press reports crisp and inspiring. Among other things he advised first time MPs to seek the advice of elders.

There have been cases where, in my view, the media has overreacted. One such was a statement made by Health

Minister Harshavardan on the use of condom to check spread of HIV. He talked of the need for self control. He also referred to the removal of what he described as "vulgarity" in sex education in schools and the introduction of yoga which was interpreted by some educationists and social workers and scientists as entering the realm of morality. I leave it to readers of *Freedom First* to draw their own conclusions or interpretation. Personally I feel that viewed in the correct perspective there was nothing wrong in the Union health minister's observations.

Postscript

It is known that by and large it is the bureaucrats who are the driving force in articulating ideas, pushing files that result in delivering results in the field. After all it is the same bureaucrat-criminal-minister nexus which has played havoc with the system bringing it and the country to a sorry pass. The choice that Modi now faces is problematic. He has to deal with the bureaucratic culture embedded in their psyche for a long time and get them to implement values that strengthen integrity, efficiency and good governance. True, there are good, efficient and honest bureaucrats amongst them but their numbers are few. It is this challenge that is daunting.

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Point Counter Point

Ashok Karnik

Every issue has at least two sides. A wise person examines all sides before coming to a conclusion. This is an attempt to present various sides of an issue so that a considered opinion can be formed.

The Caliphate

Point

On June 29, 2014 the ISIS/ISIL (Islamic State of Iraq and Syria/Levant) mutated into the Islamic State or the Caliphate of Islam with Abu Bakr al Baghdadi as the Caliph. The development could be ignored as an attempt to validate a non-existing State into the leader of the entire Islamic world. The Caliphate transcends geographical boundaries and demands allegiance of Muslims everywhere (The Ummah). What was Al Qaeda II so far has now sought to become the leader of the Islamic world. How this is perceived by its friends and allies is to be seen. Even Ayman al-Zawahiri, the Al Qaeda chief, after the end of Osama bin Laden, may not be too happy to see his lieutenant become the Caliph. In Islam, the Caliph is the supreme spiritual and temporal authority. The power is now sought to be usurped by a small group controlling a small piece of real estate which may disappear if the Iraqi Government gathers itself soon or the US and Iran decide to intervene more directly. The danger is that the jihadi rhetoric will catch the imagination of a wide section of Muslims. North Africa is seething with rebellions of all kinds from Somalia to Nigeria and democracies have no answer to the riddle of jihad. The new Caliph's call for global jihad should not be laughed away as it has dangerous implications. It could inspire jihadis in a host of other places which is bad news for the world, particularly India. In spite of the obvious dangers, the ISIS is being supported by S. Arabia. The US & UK who were backing ISIS in Syria are now trapped into indecision.

Counter Point

A Caliphate was the goal set by jihadis since the 1990s after militant Islamists got a foothold in Afghanistan and Sudan. A pure Islamic State was the need of the jihadis. From Hasan al-Bana (1920s) to Sayyid Kutb (1950s) to Hasan Turabi (1990s), every jihadi Islamic ideologue yearned for a true Islamic state as a launching pad. Afghanistan promised to be one and Sudan was almost there but other Muslim majority states like Turkey, Saudi Arabia, Iran, Persian Gulf countries and Pakistan were not true to the jihadi creed or were deviants. Egypt was a near miss after the Arab Spring. The militants have now got their own State, thanks to the misinterpretation of their motives by the democratic world. The US and Europe saw the Syrian uprising as an opportunity to get rid of the Assad regime. The good intentions of the West generally backfire as the temper of the people it deals with is not fully grasped. Democracy is not the byword for these groups; it is a dispensable commodity to be used for their own sectarian bloodletting. The free world generally falls for the anti-dictatorship campaigns and welcomes the dawn of democracy and freedom. However, the Arab Spring turns out to be the womb of extremist religious ideology. The free world then shrinks from its foolhardy success in toppling one dictatorship to find that a worse has succeeded the first. The problem is that even a military victory over the extremists cannot put an end to the idea of jihad. It will fester in defeat and grow in success.

NGOs and Foreign Funds

The leakage of IB reports about misuse of foreign funds received by NGOs in India created a storm among the good Samaritans in the country. It was perceived as the Government's drive to silence its critics. The IB's impartiality was doubted and its jurisdiction to look into activities of NGOs was questioned. The focus of IB's attack was the Greenpeace movement with branches in over 40 countries. The IB's recommendation to deregister the India unit from the facility granted under the Foreign Contribution Registration Act and put all its donors on the watch list added to the discomfiture of Human Rights groups, environment protection movements and do-gooders of all types. The NGO's opposition to nuclear projects in TN (Kundankulam) and Maharashtra (Jaitapur),

The motives of foreign donors will always remain a mystery. It is IB's task to check if the motives are hostile; even if these are genuinely humanitarian, is it correct to use foreign funds to launch agitations against Government approved programmes? NGOs can agitate on their own as it is their democratic right but is it their fundamental right to receive foreign funding? Can they not pursue their laudable objectives without foreign funding? If they do receive foreign funds for any purpose, it would be prudent for them to keep out of agitational activities. They should strike a balance between the desire to have access to foreign funds and the need to oppose projects they consider harmful to public interest. They cannot have both. The argument that Corporates also receive foreign funds

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coal-fired projects, hydro-electric projects and a dozen other schemes appears to have triggered IB's enquiries. Although IB reports are secret and unavailable for scrutiny, its focus is on organizations abroad which are aiding and abetting groups in India (NGOs) to launch agitations against Government-approved development projects. Such NGOs blame the Government for lack of progress in removing poverty and simultaneously oppose anything done to develop an area. For the Government it is a case of being crucified if you do and hanged if you do not. There is always some doubt about the origin of foreign funds as these could come from genuine social networks or foreign intelligence agencies hostile to India's development. It needs to be conceded that most NGOs are genuinely concerned about the ill effects of development projects; their motives need not be questioned. In fact, the recipients here and even their donors abroad may not necessarily know their source of funds. Intelligence agencies all over the world are masters at camouflaging their injection of funds under the guise of laudable objectives. FCRA is inadequate to stop misuse of foreign funds as over 44,000 NGOs receive over Rs.11,000 crore every year. The total declared receipts since 1993 are Rs. 1.16 lakh crore. It is impossible to verify how the money is used.

Counter Point

and use these to help political parties, is specious; if Corporates are caught misusing funds they should be penalized too. Their misbehaviour cannot be a license for others to commit the same offence. It is only a thin line between opposing a project and descending to the streets in protest. Can the NGOs stick to this line if they want foreign funds? No Government can tolerate a foreign hand directing an agitation against it through funds that it allows to enter the country in good faith. A large chunk is received by Missionary organizations. Will they ensure that none of this is used for conversion? NGOs should become more conscious that their good intentions can be used by external forces for perfidious designs. Instead of resisting the Government's move to regulate foreign funding, they can come up with a solution where they can receive funds but would not allow themselves to be used as instruments of mischief against their own Government. Good intentions need to be backed by abundant caution. Even if 10% funding is of dubious nature, it would cause incalculable harm.

"Anyone who lives within their means suffers from a lack of imagination." – *Oscar Wilde*

Governors' Tenure

After the victory of the BJP/NDA in Election 2014, the future of Governors appointed by the UPA came in for re-examination. The obvious desire of any new ruling group is to get rid of those appointed by the earlier regime and give a chance to its own leaders to occupy the ceremonial posts. It is one way of rewarding its own old warhorses and keep them out of mischief. The UPA had done the same in 2004, removing the Governors appointed by the NDA regime from 1999. A BJP leader then went to Court questioning this apparently arbitrary decision. The Supreme Court in a landmark judgment ordered that the Governors being Constitutional authorities cannot be removed like ordinary employees at the pleasure of the Central Government. They could be removed only on sound grounds to be recorded but not necessarily explained to the Governor being dismissed. The dismissal order, if challenged in the Court, could then be examined by the Court in the light of the reasons recorded earlier. The Government's reasoning would then be open to scrutiny. Any arbitrariness in decision making would render it null and void.

The Governors thus got some degree of protection from capricious action of the Centre. It however opened up another incongruous angle to the debate. If the Centre has no faith in the Governor, how can he operate as the Centre's representative in the State? Technically, he is the President's representative but he has to send his reports to the Centre (Home Ministry) too. If he is at odds with the Home Ministry, his utility is zero. His continuance would thus become an embarrassment for all, including himself. The best way forward for political appointees would be to leave out the Court battles and graciously resign as soon as a new Government comes into power. If the Government wants the Governor to continue, it would reject the resignation but if it wants a new one, it should be free to select one. It would save the loss of dignity for the Governor and embarrassment for the new Government of pressurizing the Governors to quit. What right do the Governors have to the post if they are not wanted by the Centre? Their appointment is political in the first place. Their insistence on continuing, citing the Constitution, is itself demeaning to the post.

Readers are invited to email their points of view on serious issues of the day to ashokkarnik2001@yahoo.co.in.

Readers who do not have the facility of a computer can also post (mail) their points of view on serious issues of the day to "Point Counter Point", c/o Freedom First, 3rd floor, Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai, 400001.

Foreign Direct Investment in the Defence Sector

Suresh C. Sharma

The performance of the Defence Research and Development Organization [DRDO] and Defence Public Sector Units has been dismal and yet they oppose FDI to companies planning to manufacture in India.

The Finance Minister has proposed a hike in Direct Foreign Investment [FDI] in defense from the present cap of 26% to 49%. The former Defence Minister, Mr. A K Antony, has criticized it as impinging on national security and has alleged it to be a favour to the Arms lobby. This is not the first time that FDI has been portrayed as an evil threatening national security.

The total inflow of foreign capital under the present rules has been only USD 5 million. Besides a low cap on FDI, there was also a rider that 51% of the capital should be held by a single resident entity. Production of defence arms and equipment is highly capital intensive and the production agency has to recover the investments in technology development. Usually, it would like to have export rights as well, so as not to be left with only one customer. The right to export is essential, subject to diplomatic relations with the end customer.

It is a myth to label FDI as harmful to indigenous development agencies and industry. The need for FDI and imports has arisen due to the failure of these organizations to meet the requirements of the defence and para-military forces. This failure is evident from the fact that 70% of the arms and equipment have to be imported. It is preferable to procure arms from a joint venture with 49% FDI, located in India than to import them. The performance of the Defence Research and Development Organization [DRDO] and Defence Public Sector Units has been dismal and yet they oppose FDI to companies planning to manufacture in India.

Shortage of essential arms is a far greater and a real threat to national security. Take the case of the upgrading of small arms. General Bikram Singh took over as Army Chief in May 2012 and placed top priority for infantry soldiers' personal weapons. There was no progress till his retirement. May be his successor will have better luck.

The Indian Army needs about 1.6 lac carbines and 2.2 lac assault rifles. India's Ordnance factories discontinued the manufacture of World War II vintage carbines in 2010. INSAS, the current assault rifle, was inducted in the 1990s and the Army has been complaining

about its performance ever since. It is made from an amalgam of four metals and is a sure recipe for failure in extreme climate conditions. The Indian Air Force pointed out 53 operational inefficiencies. Much hype was created when Mr. Antony talked of expecting competence and success from the DRDO. Instead of pointing out the failures of DRDO, he found an excuse by saying that "INSAS has been overtaken by technology."

We must insist that DRDO and the production agency give us contemporary arms and equipment. The Armed Forces should not be at a disadvantage facing an enemy with better arms. At one time in the 1990s, the militants in Kashmir had better arms than the soldiers and limited imports had to be resorted to urgently.

The small arms programme will cost about USD 6 billion and it would have been far more beneficial to all stake holders in India to have them manufactured in India under higher FDI or otherwise as agreed to by the foreign suppliers, than to import them.

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Obama Extends Marriage Benefits to Gay Couples

The federal government on June 20 2014, Friday announced regulatory changes to extend a wide range of marriage benefits to same-sex couples, making good on a promise by President Obama after the Supreme Court struck down the Defense of Marriage Act last year.

The Department of Labor said it would clarify that federal employees will be able to take leave from their jobs to care for a same-sex spouse, something that has long been limited to heterosexual married couples. The Social Security Administration and the Veterans Affairs Department said they would also expand benefits for same-sex couples, subject to some legal restrictions.

After decades of blocking gay married couples from receiving the same benefits as their heterosexual counterparts, most federal agencies are now treating married couples alike, regardless of gender.

New York Times, June 21, 2014

Foreign Relations in the 21st Century

New MOUs with China

– Will Modi’s Gamble Pay Off?

B. Ramesh Babu

India and China have been following double edged and mutually conflicting policies towards each other.

Conflict and mistrust on the border and cooperation and collaboration in other areas have become integral to the complex bilateral relationship over the past half century, i.e. since the 1962 war in the Himalayas. The recent change in the top leadership in China did not make much difference to the two-headed dispensation in the equation. The latest serious crisis at Doulat Beg Oldie – the deep intrusion and camping of Chinese soldiers for weeks – reinforced the tensions and mistrust in the complex and uneasy relationship.

Will Economic Co-operation Reduce Tensions?

Recently, during June-July 2014, the two countries signed three mega deals that could have far reaching significance in the years to come. Is this a new beginning? Will the Modi gamble work? Will the greatly expanded economic and commercial cooperation lead to reduced tensions on the border? These and many other questions come to the fore as the new government at the centre enters the second month in office.

The latest developments in Beijing have taken the mutual cooperation constituent of the bilateral equation way forward. Ironically, the occasion was the 60th anniversary celebrations of the long forgotten Panchasheel, the five principles of peaceful coexistence. The Chinese President and Prime Minister were joined by the Indian Vice-President Hamid Ansari and the President of Myanmar Thein Sein in Beijing.

The first MOU addressed India’s concerns over the water flows from the Brahmaputra River. Building on the agreement on trans-boundary rivers signed last year, the two countries signed the new agreement whereby China agreed for the first time to allow Indian hydrological experts to conduct study tours in Tibet to monitor flows on the upper reaches of the Brahmaputra. This is aimed at assuaging Indian’s fears about the reduction of the water flows because of the ongoing projects to construct several dams on the mighty river. Hopefully, over time this could become the basis for a lasting agreement between the two countries on the distribution of water along the lines of

the Indus Water Treaty between India and Pakistan, which endured three wars between them.

Another area of serious concern for India is the huge and growing adverse trade balance (\$ 40 billion) against China. In order to meet this challenge, India signed two other agreements in Beijing. The two sides formally agreed on a framework for setting up China dedicated industrial/infrastructure parks in India. An Industrial Park Cooperation Working Group will be set up to indentify and agree upon the modalities. Four locations are already under consideration. Hopefully this move will bring in huge Chinese investment into India and offset the enormous trade deficit.

The third agreement was on the first ever exchange programme for training officials of both countries at the national academies of administration in the two countries. The Lal Bahadur Shastri National Academy of Administration (LSSNAA), Mussorie and the China Executive Leadership Academy (CELAP), Shanghai were identified for the purpose.

Some time earlier, soon after Modi assumed office, China invited India to join the Asian Infrastructure Investment Bank (AIIB) aimed at the promotion of trade and economic development along the “ancient silk route”. The Bank’s operations are intended to be free from the influence of the Western backed lenders like World Bank and the Asian Development Bank (ADB). This is a part of the Chinese strategy of creating an alternative to the extant western global financial and monetary order.

China’s Old Tactics

Amidst all this Beijing chose to issue an official map showing Arunachal Pradesh and parts of Ladakh in the Pak Occupied Kashmir (POK) as the territory of China. Naturally, the Indian side reacted sharply. In a terse statement issued from New Delhi, the Ministry of External Affairs (MEA) declared that “cartographic depiction does not change the reality on the ground” and asserted that Arunachal Pradesh is an integral part of India. In response

to a question whether the map issue would be taken up by the Indian side in the next day's deliberations, Foreign Secretary Sujata Singh, who was a member of the delegation in Beijing, stated that we take up all issues with the Chinese and the other side is fully aware of India's stand on the matter.

China has always done this sort of thing on such occasions – i.e. to publicly put down countries regarded to be less than equal to her. Whenever some new overtures on the cooperative front with India are on the anvil, China makes it a point to rudely rekindle the border issue in a dramatic manner. This practice goes back all the way to 1979, when the then External Affairs Minister Atal Behari Vajpayee was on a State visit. While Vajpayee was in Beijing, China launched an attack on Vietnam “to teach them a lesson”. To add insult to injury, an official spokesman stated that this action was just like the one they took in 1962 “to teach India a lesson”. Such a statement was irrelevant, out of context, and totally uncalled for! But, China chose to put India down while the high level peace overtures were formally under way! We can only speculate on the motive behind. Maybe like in Pakistan there are hard liners and soft liners in the top political and military leadership of China in dealing with India? However, it seems unlikely that in the totalitarian set up of the country that such vertical division at the top could persist over the decades. Maybe it is the usual case of the right hand in the Government being unaware of what the left hand was doing? But, I doubt that this could be a case of lack of

coordination between the political and military leaderships in a country like China.

It is noteworthy that reports about a fresh incursion in the Ladakh region surfaced at this time.

The only valid lesson India could draw from such arrogant behaviour is: don't ever trust the dragon!! Eternal Vigilance on the border is the fundamental rule. Continue to build up our defence capabilities in the Himalayas. Keep the strategic partnership with the US alive and kicking; rope in Japan, which is ready and willing to stand up to China; and involve the ASEAN nations in building a countervailing coalition of concerned countries to deter the dragon on the rampage! In the meanwhile go on with the policy of cooperation with China on the economic front for mutual benefit as long as possible and also work together on global issues dividing the North and the South.

Relations between countries are not what they seem on the surface. Cooperation and conflict are the woof and warp of the fabric of foreign relations. Let us hope that leaders and diplomats on both sides have the maturity to manage the complex relationship from going out of hand.

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IIT-M's a Threat on an Environmental Issue

S. Viswanathan

With land prices hitting the roof, it has not been possible to acquire thousands of acres of land needed to set up a world class university.

This refers to your mail regarding Indian Institute of Technology, Madras (IIT-M)'s threat on an environmental issue*. There has been a constant conflict between the requirements of development and the concerns over environment. Both sides advance weighty reasons. I am inclined to agree with the IIT-M's reasoning. I explain why. If you find this material of interest, please consider this for publication in *Freedom First*.

Indian universities and higher institutes of learning are pigmies compared with the size and endowments of their counterparts in several developed countries. I have been visiting Purdue and the Wisconsin universities in the US for a few years now. They are spread over sprawling campuses imparting education to over 40000 each in multi-disciplines. In the case of several of these, the communities concerned provide huge land resources and financial support. Their alumni holding top positions in corporates extend massive financial assistance. For over a dozen of universities, their R&D budgets are in the region of \$750 million i.e., around Rs.4,500 crore. These universities have been producing Nobel laureates, outstanding scientists, engineers and other celebrities.

Sadly, in our country, even top notch institutes like the IITs do not find a place in the top 100 such institutions globally. These IITs need to admit much larger numbers, go for multi-disciplinary subjects, that require large resources in terms of money, land, buildings, etc. These also need to be sustained by a fee structure that is adequate for sustenance as also to generate surpluses for growth.

Unfortunately, after 67 years of independence, there has been very modest growth in higher education. There are very few research findings and patents. By and large, these institutes have been turning out products with limited capabilities for research or filing patents. Many of these shine only when they move out of India and work in advanced countries.

Look at the pathetic scene in Tamil Nadu considered much above average compared to other states. There are over 540 engineering colleges that have capacity to admit around 270,000 students for under-graduate, engineering degree courses. Over 80,000 of seats remain unfilled. The

pass percentage in the case of several of these colleges is poor. These are run not by renowned academicians, but by politicians, business men, contractors, liquor barons, realtors, *et al*. Every politician of status in the state runs at least a couple of such colleges. With land prices hitting the roof, it has not been possible to acquire thousands of acres of land needed to set up a world class university.

IITs were directed to expand their intake by a few thousands. IIT-M has been mandated to expand its capacity to around 8000. Most of its students are from outside Chennai and thus need to be provided with hostels. The state government has been keeping aloof, treating the IIT as an alien. Wherefrom do you expect them to procure land?

Intellectuals who oppose such expansion should not just be content with demolition, like Kejriwal or Medha Patkar. They should provide the alternative to tackle the equally important issue of providing for the aspirations of millions for higher education. Presently, this is available to just around 12 per cent of those who pass out of schools. But the need is to increase this to 30 per cent. How do you think this can be done, if there is opposition even to the IITs to expand?

A single factor that is proving to be a severe deterrent is the price of land. In just about 15 years, in Tamil Nadu the price of even marginal land (not arable) has been jacked up from a few thousand rupees to several lakhs per acre and if large tracts are needed, land sharks jack up prices further.

The Tatas planned to set up a titanium plant at Tuticorin. Tatas had appointed a Managing Director and set up an office. They reckoned the cost of the marginal land at Rs.5,000 per acre and budgeted Rs.5 crore towards the 10,000 acres to be acquired. After dithering by two successive governments for a decade, land sharks cornered the land and demanded Rs.5 lakh per acre taking the requirement to Rs.500 crore. Tatas abandoned the project after battling with it for a decade.

(Cont'd. on page 25)

Agriculture and Rural Indebtedness - I

*Freedom from British Rule did little to improve the lot of the Farmer.
This is so even today 67 years after Independence. Why?*



A Discussion Paper was prepared by Professor R. M. Mohan Rao, retired Professor, NABARD Chair, Andhra University, Waltair, Andhra Pradesh. The purpose of serialising this Paper is to invite readers to share their views on the issues raised, to recommend policies that would ensure a fair deal to the farmer.

Freedom from British rule did little to improve the lot of the farmer. This, despite the green revolution. While India became self-sufficient in foodgrains, the farmer remained poor. The First Five Year Plan was the only 'Plan' that gave primacy to agriculture. This was shortlived, because soon thereafter, communists and their fellow travellers hijacked the Planning Commission. The buzz words thereafter, which held India in thrall between 1957 and 1991, were 'the state occupying the commanding heights of the economy' and 'planning by physical targets'. The model was the Soviet Union and its anti-farmer bias. Industry, and that too heavy industry, took pride of place. Indian agriculture and agriculturists took a back seat. Food shortages in the Soviet Union were endemic and the Soviet Union collapsed. This signalled the superiority of the market economy; of liberalisation and globalisation. Sadly, once again, the farmer and his problems are being ignored. While the urban Indian's standard of living is improving, poverty in rural India continues, the benefits of economic reforms are again bypassing agriculture and the agriculturist.

We begin this series on rural indebtedness based on the discussions held in Guntur, Andhra Pradesh July 2004 to examine why the reforms process introduced in 1991 extricating the economy from 47 years of permit-licence-quota raj while benefiting urban India to some

extent largely bypassed rural India.

Dr. Y. Sivaji former member of the Rajya Sabha, who chaired the July 25-26, 2004 discussion observed in a report published in 2005: "A major outcome of the General Elections of 2004 was the realisation of the importance of agriculture. Still, agriculture continues to suffer from a lack of adequate investment. Farmers are compelled to borrow from private moneylenders at exorbitant rates of interest. When high risk capital-intensive commercial crops, without foolproof insurance cover fail, a number of farmers who have borrowed heavily and are neither able to pay back the loans nor get re-finance, commit suicide".

I. INDIAN AGRICULTURAL SCENE

Indian agriculture is small farm agriculture. It made rapid strides during the half century since freedom. It contributed in a great measure to help the Nation switchover from a food deficit to a food surplus economy as well as net exporter of food grains in the last six years, despite the trebling of population since Independence. Another notable feature is the transformation of farming from the traditional to the modern. The credit goes to the Indian farmers for ushering in this great transformation I with the participation of millions of small and marginal farmers in the Green Revolution.

Notwithstanding the macro level success of Indian agriculture, the nutritional securities and distress of majority of farming households, which are mostly marginal and small farmers and tenants, is a matter of grave concern. Despite several programmes and policy initiatives launched by the Central and state governments for agricultural development over the last five decades, the economic conditions of farmers have not improved much. The deterioration in the well being of farmers is manifest in the widespread and continued reports of suicidal deaths among farmers across many states in the country (Annexure I)¹. Secondly, as in the case of farmers, the resilience of Indian agriculture is at stake with the deceleration of growth of agriculture. The Tenth Five Year Plan targeted growth of agricultural GDP of 4 per cent per annum, aiming to reverse the deceleration in the second half of 1990's from 3.2 per cent in the period 1980-1996 to 2.6 per cent in the period 1996-

2002. This is nowhere in sight with the average agricultural GDP growth in the first two years of the Plan being 1.8 per cent and the estimates show that it is unlikely to reach the Plan target. Thirdly, whether Indian agriculture, given the current unenviable scenario will be able to assure food security to the growing millions in future, provide sustainable livelihood to the 60 per cent of the population it employs, withstand competition and benefit from opportunities thrown open by liberalization and globalization, call for contemplation of corrective actions.

The problems plaguing Indian agriculture are largely due to the persistence or intractability of old problems, the emergence of new ones and above all the laxity and lags in addressing issues threatening the basic foundations of Indian agriculture.

Persistence of Old Problems

Despite planned efforts to overcome obstacles to growth in the agricultural sector old problems continue to plague Indian agriculture. Firstly, with only around 1/3rd of area under irrigation without noticeable growth, notwithstanding huge investments in major and medium irrigation projects in the early phase of planning era, and with neglect of proper maintenance of the existing ones, Indian agriculture continues to be a gamble in monsoons.

Secondly, weakening of institutional structures like cooperatives, RRB's promoted and nurtured by the State together with the reluctance or unwillingness of banking sector to extend direct credit to agriculture has given rise to the reappearance of the pre-Independence scenario that Indian farmer lives in debt, dies in debt, bequeathing it to his children as noted by the Royal Commission on Agriculture in 1928.

Infrastructural facilities like road connectivity of rural areas, marketing and storage continue to lag behind the required level in terms of coverage, accessibility, as well as quality. To illustrate, 'more than one half of the villages (51.59%) are still not connected with road network denying access not only to market centers but also to health care and education.

The condition of agricultural marketing is equally alarming with multiplicity of functionaries in the marketing chain, total neglect of marketing extension, and poor regulation of marketing conditions. True, the number of regulated markets increased from 146 in 1945 to 7,161 by 2001. Notwithstanding this coverage, several undesirable practices like interlinking of credit and commodity markets, lack of proper grading and packaging at farm level continue to persist. New problems like the

emerging monopoly of Agricultural Produce Market Committees have crept in. The market committees charge 0.5 to 2.00 of the value of produce transacted without any value of service to the farmer members in most cases nor is the fee ploughed back for market development.

Private trade handles nearly 80 per cent of the marketed surplus with a limited role for Government and cooperatives each having only 10 per cent share. Further, Indian farmers continue to be the price takers in all markets, i.e., credit, input and output and of late in labour as well. Agriculture as a biological process depending on vagaries of nature is a risky occupation and Indian farmers continue to be the lone risk bearers of sorts viz., production risk, market risk, and price risk.

The inadequacies in the storage and warehousing front are equally glaring. The All India Rural Credit Survey Committee's (1954) plea for supply of credit against warehouse receipts to the farmers, to arrest distress sales and help them get a better price for their produce is yet to be realized. The 70 million tons scientific storage capacity created during the last 50 years meets only 30 per cent of the national requirements. The shortage is much more acute in cold storage. The available cold storage capacity of 153.85 lakh tonnes is sufficient only for 10 per cent of the production of fruits and vegetables.

In respect of inputs as well, the role of public agencies is rather limited with telling effects on the distress of the farming community. 'In fertilizers, with the exception of Gujarat, private trade dominates the fertilizer trade. The gap between requirements (demand) and production of quality seed is consistently high for all crops. The farmer himself produced around 85 per cent of the seeds consumed in India. Estimates show that every year 30 per cent of potential food products valued at Rs.150 billion are lost due to insects, pests, plant pathogens, weeds, rodents, birds and in storage. Output loss due to pests and insects is highest in cotton (50 per cent), 30 per cent in pulses, and 25 per cent in wheat.

Efforts to regulate malpractices in the supply chain of inputs causing great distress to farmers continue to be unsuccessful either due to lacuna in laws or lack of proper will and machinery to do the needful.

To be continued

i Available on request. Email: freedomfirst1952@gmail.com. Postal Address: Freedom First, 3rd floor Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai 400001.

Afghanistan on the Road to Democracy

Suresh C. Sharma

Traditionally, Afghanistan has depended on the system of Loya Jirga, an Assembly of tribal leaders, to discuss and decide on important issues.

Though elections in Afghanistan were held for the first time in 1923, relatively free elections were held only in 1949 which resulted in the government passing liberal laws like freedom of the press. The parliament elected in 1952 was a step back. Opposition leaders were jailed, newspapers criticizing the government were closed down and the students union dissolved. In 1964, a new Constitution was drafted by the *Loya Jirga* convened by King Mohammed Zahir Shah comprising 167 elected and 34 nominated members. Despite low turnout, the elections in 1965 based on the new Constitution were considered to be fair.

Role of Soviets and Americans

In 1973 King Zahir Shah was ousted in a coup by his Prime Minister Daud Khan who in turn was assassinated four years later in 1978 in a coup by the communist party quickly followed by a Soviet invasion in 1979 to support the new government. The Soviet invasion of Afghanistan lasted for 9 years. The Soviets supported the government led by Najibullah and towards the closing period of his regime the Soviet withdrawal began. If the Soviets propped up the communist party and Najibullah in power, the United States supported

Pakistan and Saudi Arabia by providing massive aid to the Mujahdeen. A civil war ensued. The Soviets withdrew in 1992 leaving the field open to the Taliban who managed to establish control by 2000. Rule by the Taliban ended whatever democratic institutions were left. Following the September 11, 2001 attack on the Twin Towers in New York, the Taliban were ousted by US/NATO forces. A transitional US backed government under Hamid Karzai was established. Four Afghan groups participated in discussions at Bonn and agreed on a procedure to frame a new Constitution.

The New Constitution and Elections

On 4 January 2004, 502 members of the *Loya Jirga* unanimously approved the new Constitution which was promulgated on 26 January 2004. The Constitution provided for a presidential form of government, two Houses, the rights for minority languages and an Islamic legal system. The legal system had a safeguard of judicial review by the Supreme Court. Presidential elections were held in 2004 and parliamentary elections in September 2005. Results were announced in December 2005, the delay being due to allegations of fraud. Former warlords won a majority. Surprisingly, women won six more seats than the 25% assured in the Constitution. Voter turnout was 50%.

Afghanistan's War is Getting Deadlier

Afghanistan's war is getting deadlier for its civilians with the toll from crossfire and ground battles rising sharply, the United Nations has said in a report.

The number killed or injured in the first six months of the year rose by a quarter from 2013 levels to nearly 5,000 people, the bloodiest total since the UN began keeping records in 2009. Women and children are particularly badly affected.

It was also the first time that ground fighting has proved more dangerous for civilians than the often indiscriminate homemade bombs that have become a key Taliban weapon, a worrying sign that the conflict may only get more bloody as Nato forces head home.

The withdrawal of well-equipped and heavily armed foreign troops from most districts has made it easier for insurgent forces to infiltrate towns and villages, so battles more often take place among houses, shops or government buildings, the report says.

Both sides often use weapons like mortars and rockets that allow them to keep their distance from enemy fighters, but are very risky for civilians in the area, the bi-annual Report on the Protection of Civilians in Armed Conflict says.

Excerpted from *The Guardian*, 9 July 2014

The next round of elections was held on 20 August 2009. The turnout was low, about 30%, due to threats by the Taliban. There were 2,842 complaints of fraud, intimidation and ballot stuffing. According to the *Times*, 1.26 million votes were excluded from an election that cost the international community USD 300 million. No candidate secured more than 50% votes and a run-off election between the two leading candidates for the presidency was to decide the winner. Abdullah Abdullah who had secured the second position declined to participate in the runoff election as the changes suggested by him to the election commission were not met. Hamid Karzai was declared President for another term of five years.

Twenty seven candidates registered themselves as candidates to contest the presidential elections scheduled for 5 April 2014. Sixteen of them were disqualified by the Election Commission and three candidates withdrew, leaving eight in the field. Pakistan sealed its borders during the elections to reduce the chances of cross-border attacks. Taliban threats did not stop voters from exercising their rights and the turn-out was a healthy 60%. There were 1,573 complaints of frauds, less than in the previous elections. 228 complaints were against presidential candidates or their campaigns. No candidate received more than 50% votes. The two leading candidates Abdullah Abdulla, Hamid Karzai's one time Foreign Minister, and Ashraf Ghani got 45% and 31.6% votes respectively. This meant a run-off as neither candidate received 51% of the votes. Independent observers considered the elections to be fair. The Afghan security forces proved themselves capable of ensuring the security of the voters.

The second round of run-off voting took place on 14 June. There was no major Taliban attack on that day though Abdullah Abdullah had survived a suicide attack a week before the election date. Suicide squads sent by the Taliban into Kandahar did not reach the polling booths and the few rockets that did failed to stop the voters. About sixteen security personnel and civilians were killed. Fingers of eleven people who had voted were cut off by the Taliban. The two militants responsible for this foul deed were

tracked and shot.

The international community and the Afghans were looking forward to a peaceful transfer of power when Abdullah Abdullah lodged a serious charge of fraud against the Election Commission on two grounds: Firstly related to the high voter turnout - 60% which surprised even independent observers. The media reported that fewer people voted compared to the first round. In Khost, 400,000 votes were cast compared to 113,000 in the first round. No accurate data is available of the number of voters in the 34 provinces. Secondly, Abdullah Abdullah's party aired telephone intercepts of calls by Zia-ul-Haq Amarkhail, head of the Election Commission, to officials ordering them to stuff ballot boxes. Amarkhail commented that the recordings were fake.

Abdullah Abdullah cut off all relations with the Election Commission and has requested for intervention by the United Nations. Amarkhail has resigned in the national interest and for the sake of saving the election process. He hoped that with his resignation, Abdullah Abdullah would end his boycott. Amarkhail was arrested by the police chief General Zahir on 14 June as he left the office with cars full of ballot papers. The USA has urged both the candidates to remain engaged with the election process since there is a legal mechanism to investigate the complaints. The allegations have to be investigated before announcement of the results, expected after 22 July.

An impressive turn out, participation by women and alert security forces are good indications of the progress towards democracy. While democracy is something more than elections, it takes time to develop democratic institutions and traditions. There is need to ensure the integrity of the Election Commission and accurate voters' lists. Moreover tainted elections could impede flow of foreign aid which the country badly needs.

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The Planning Commission Cut Down to Size at Last!

A television monitor in the lobby of the Planning Commission which used to run the schedule of meetings planned for the day when Montek Singh Ahluwalia was Deputy Chairman, now displays "Thoughts for the Day".

Ahluwalia has resigned, and for the first time since the Planning Commission was set up in 1950, it will not decide on the gross budgetary support for the Railways.

Instead, the Finance Ministry has scheduled a meeting later this month to decide the Plan budget for the Railway Ministry.

The moving of financial powers out of Yojana Bhawan formalises the end of the role of the Commission, and marks the biggest change in the Indian fiscal space in decades.

The Financial Express, July 18, 2014.

The Ukraine Crisis

By Moving Close to the West, Can Poroshenko Bring Peace to Ukraine?

R. G. Gidadhubli

Having lost Crimea to Russia, Ukrainian President Poroshenko has taken the historic decision of moving closer to Western Europe by signing an accession agreement. While his initiative of unilateral ceasefire has failed, will he succeed in ensuring peace by his 'all out attack on separatists'?

The Ukrainian President Petro Poroshenko has undertaken landmark decisions in the current history of his country by signing the accession agreement with the European Union on the 27th June 2014 and taking the country closer to Western Europe. By not doing so, his predecessor Viktor Yanukovyich faced unprecedented protests by Euromaidan Ukrainian activists forcing him to flee the country and to take shelter in Russia. Poroshenko also took the initiative to declare one week's ceasefire unilaterally on 21st June extending it by 3 days but then called it off. Hence questions arise as to why the cease fire proposal failed and what are the likely consequences of this for Ukraine?

There are many reasons why the ceasefire failed. Firstly, Poroshenko accused pro-Russian protestors (calling them separatists and even terrorists) for violation of his ceasefire call and, according to Ukrainian official sources, 27 Ukrainian soldiers were killed since the ceasefire began on 21st June. This was not acceptable to him. Secondly, there was speculation in Kiev that the ceasefire was used by pro-Russian protesters to rearm and continue their fight for their cause of separation from the country. Thirdly, having lost Crimea to Russia, Poroshenko does not want any further breakup of Ukraine and has insisted "we will attack and we will free our land." Fourthly, there was growing domestic pressure on Poroshenko demanding an end to the ceasefire and even insisting that he should declare martial law in eastern Ukraine. Fifthly, there are reports that some ethnic Russians in the eastern region prefer to be closer to ethnic Ukrainians than to pro-Russian protestors and are supporting Poroshenko. Sixthly, some critics have alleged that Russia has been supporting pro-Russian protestors allowing border infiltrations, covertly funding and arming the uprising to destabilize Ukraine and retain control over Russian-speaking eastern regions of Ukraine.

Even as these allegations have been denied by the Russian government, the former Ukrainian President Leonid Kuchma who is holding a series of talks with pro-Russian separatists has blamed Russia for the Ukraine crisis and

the persisting violence in the Eastern regions.

At the same time there were counter arguments by protestors that the ceasefire call was a farce. Because they have accused the government contending that many protestors were killed by the Ukrainian military firing during the period of ceasefire. Moreover, denying criticism of military support to protestors, Russian President Putin has urged Ukrainian authorities that negotiating with protestors was essential for ending the crisis. This has not taken place so far.

Poroshenko has two alternatives which have different consequences since the ceasefire has failed.

Alternative A: Extension of Cease Fire

Vladimir Putin has openly supported ceasefire and declared his interest in a peaceful solution to the crisis urging that the ceasefire be extended. That Russia's support is genuine is evident from the fact that Russia has expressed readiness to grant Ukrainian border guards access to Russian territory to take part in controlling two border crossings once the cease-fire is in place.

In fact knowing the likely grave consequences of the on-going crisis in Ukraine, even Germany and France supporting Russia's proposal have rightly advised Poroshenko to extend the ceasefire. In support of this alternative, consistent efforts have been made by their leaders to end the crisis. For instance, French President Francois Hollande, German Chancellor Angela Merkel, Russia's Vladimir Putin, and Petro Poroshenko of Ukraine have been exchanging views from time to time during the last few weeks. In reality the chances of settling the Ukraine crisis would be higher if only Russia and Europe were involved in trying to settle it.

It is to be appreciated that even as Poroshenko has called off the ceasefire, he has expressed his readiness to return to ceasefire provided all parties agreed to a peace plan and freeing of hostages. His 15-point plan includes more reforms, more powers to regions, support to Russian

language and the like. Equally important is his demand that there should be effective border controls that means involvement of Russia. At the same time he has declared his readiness to convene new European-mediated crisis talks with separatist leaders and that the cease-fire be monitored by the Organization for Security and Cooperation in Europe (OSCE) rather than Russia. This is an indication of lack of trust in Russia for ending the crisis. This is a reminder of the fact that there are no permanent friends or enemies, but permanent interests. Be that as it may, Russia may reconcile if negotiations are held and the interests of ethnic Russians are protected. Putin has limited options and at any rate does not want Russia to take the burden of supporting regions facing conflicts. Moreover, the Western powers are threatening severe additional sanctions if Russia persists in prolonging the crisis in Ukraine. Additional sanctions hurt the Russian economy badly.

Alternative B: All Out Attack on Protesters

In fact the moment ceasefire limit was over, the Ukrainian military attacked the protesters. The newly appointed Defense Minister, 46-year-old colonel-general Valery Heletey, has reason to feel proud for taking over Slavyansk from the rebels on 5th July and hoisting the Ukrainian flag. With this achievement, he might be emboldened to increase attacks on other parts of Eastern Ukraine including Donetsk region. The routing of the rebels in Slovyansk on 5th July was certainly Ukraine's biggest success in its nearly three-month campaign to regain control of separatist-held parts of its Eastern region.

This has emboldened the Ukrainian government and Poroshenko on 6th July to tighten control over Donetsk region which is a stronghold of protesters. In fact Poroshenko would be dreaming what his Defense Minister Valeriy Heletey has vowed – of holding “a victory parade” in Crimea, which was annexed by Russia in March 2014. But Putin might be laughing because having got back Crimea which was handed over to Ukraine five decades back by Khrushchev, he will never return it to Ukraine considering that historically it belonged to Russia and at present Crimea is geo-politically and geo-strategically important for that country.

Hence whether initial success of Ukraine will be a ‘Turning Point’ for Poroshenko is open to question since pro-Russian protestors have declared their intension to mobilize and regroup in the Donetsk region. In fact rebel leaders have insisted that they had withdrawn from Slavyansk but were not beaten which is evident from the statement of Andrei Purgin who is heading the self-declared Donetsk People's Republic “Our resistance is not broken”. It is likely that the conflict might increase. Pro-Russian protesters might also count on Russia since Putin has warned Poroshenko on 2nd July of serious consequences for his offensive posture towards 3 million ethnic Russians living in the Eastern part of Ukraine and has asserted that Russia would defend their interests meaning thereby provide military support. The protestors in the Eastern region might also be getting moral and material support from the ousted former president Viktor Yanukovich who would like to take revenge on his adversaries in Ukraine and support protesters demand for independence which amounts to prolonging the crisis. This may have disastrous consequences for the country.

In such a scenario the crisis in Ukraine might persist. In fact Putin has decided to punish Ukraine for joining the European Union which ends any hope of Ukraine joining Russia's Eurasian Economic Union along with Kazakhstan and Byelorussia in 2015. In fact Russia has undertaken a few policy measures such as pulling out of a free-trade agreement with Kiev, doubling the price of natural gas and instead of giving concessional price, even insisting on advance payment for gas supply; banning Russian import of a range of Ukrainian dairy products like cheese and butter blaming the products' microbial contamination. These punitive measures will badly hurt Ukraine's economy. Poroshenko might count on liberal trade and economic ties with West Europe for which Ukraine has to comply with conditions. At any rate Poroshenko has taken a great risk by aggravating attacks on protestors instead of renewing the ceasefire for which there was support from both the West and Russia to bring peace.

DR. R. G. GIDADHUBLI, Professor and former director, Center for Central Eurasian Studies, University Of Mumbai. rgidabhuli@hotmail.com

Estonia's Revolutionary Approach to Stopping Russian Spies

We caught four moles in the last five years,” Estonian President Toomas Hendrik Ilves told me after a recent security conference in Tallinn. “That means one of two things. Either we're the only country in the EU with a mole problem, or we're the only country in the EU doing anything about it.”

His small Baltic state, long one of the Kremlin's main targets, was having an “I told you so” moment. For the past decade, Russian warplanes have routinely violated its airspace, Russian military forces have used counterterrorism exercises as a pretext for mock-invading its soil, and a notorious series of cyber attacks in 2007.

Michael Weiss, Foreign Affairs, 6 June 2014

The Guns of August

A Centenary Remembrance of World War I

V. Krishna Moorthy

In 1914, the Indian Army was the largest volunteer army in the world. While nearly one million Indian troops served overseas during the war, over 74,000 Indian soldiers died in the Great War fighting for its masters against the German Empire in German East Africa and on the Western front

Greedy, one-upmanship, superiority, terrorism, violence and the like have been a constant feature in the human life of our societies the world over in the past, and they continue to be so, even to this day. In spite of advances in science and technology these basic human instincts appear to be more evident now in our societies than in the past. The proof for this is evident all around us reported in every media, day in and day out. Going back to the early years of the last century, there is ample recorded history of similar situations prevalent in those times.

In fact, it was an assassin's bullets that set off the Great War in 1914, preceded by a system of military alliances amongst the European nations that plunged the main European powers into the first Great War. The colonizers, particularly Great Britain, being supreme in that period with large tracts of geography and millions of people under her administrative control, the youth of those colonies, including our own country were drawn to fight on their side. In the process millions of young lives were lost in the war. In 1914, the Indian Army was the largest volunteer army in the world. While nearly one million Indian troops served overseas during the war, over 74,000 Indian soldiers died in the Great War fighting for its masters against the German Empire in German East Africa and on the Western front.

Economic Scenario and Military Alliances

The European continent's political alliances and the diplomacy of the Royalty, the national rivalries of the continent, Imperialism and Social Darwinism existing simultaneously in the years leading to the First World War (1914-18) provided the backdrop for the Great War.

Going back a few decades, in the late 1800s and early 1900s, European nations carved nearly all of Africa and much of Asia into colonies which was fuelled by Europe's increasing industrialization and the need for raw materials for its factories, markets for its manufactured

goods and opportunities for further investment. The competition for colonies strained relations amongst the European nations many a time, leading to clashes and conflicts almost every year.

A system of military alliances gave the European powers a sense of security before the Great War. In the last quarter of the 19th century Germany was the centre of European foreign policy from 1870 until the outbreak of World War I. In 1879, Germany and Austria-Hungary agreed to go to war if either country were attacked by Russia. Italy joined the agreement in 1882, and this became known as the Triple Alliance. Members of the Triple Alliance agreed to aid one another in case of an attack by two or more countries.

Great Britain with a large number of colonies under her hegemony followed a policy of 'splendid isolation.' However, Germany's naval build up made Great Britain feel the need for allies in the prevalent circumstances. In spite of strong disagreements between Great Britain and France over colonies, a 'friendly agreement' was reached between the two countries in 1904 thus settling the earlier disagreements over colonies, and the two countries began to discuss joint military plans. In 1907 Russia also joined this group and this came to be known as Triple Entente. While the Triple Alliance obligated its members to go to war, there was no such obligation to the members of the Triple Entente. The creation of these two major alliances resulted in the virtual division of Europe into two opposing camps.

The Trigger

Around this time, Balkans in the Eastern Europe was the site of many skirmishes resulting in conflicts and small wars. In early 1900s, the Balkan states fought the Ottoman Empire in the First Balkan War (1912-13) quickly followed by the Second Balkan War (1913). The major European powers stayed out of both the wars, and the friendly agreement also did not pledge any military support

in such conflicts. The third Balkan crisis however, could not escape their intervention.

Archduke Francis Ferdinand, heir to the throne of Austria-Hungary, hoped that his sympathy for Slavs would ease tensions between Austria-Hungary and the Balkans. He therefore, arranged for a tour of Bosnia with his wife, Sophie. As the couple rode through Sarajevo, the capital of Austria-Hungary's province of Bosnia on June 28, 1914, when Siberian terrorists ambushed them, and an assassin gunned down the heir apparent to the throne of Austria-Hungary, the 50-year old Archduke Francis Ferdinand and his 46-year old pregnant wife Sophie, mother of three. The killer, the 19-year old Bosnian Serb nationalist Gavrilo Princip, reportedly had close ties to a terrorist organization in Serbia. This set off, a chain of events that sucked Europe's great powers into four years of violence unprecedented in its scale and intensity.

Austria-Hungary believed that the adjoining Serbia's government was behind the assassination and seized the opportunity to declare war on Serbia on 28th July 1914, exactly one month after the above event and hoped to settle an old feud and invaded Serbia. This opportunity also gave Austria-Hungary an excuse to crush Serbia, its long-time enemy in the Balkans. It is to be remembered that the Austrian Kingdom in 1908 annexed Bosnia, one of the Balkan nations by force thus had angered Serbia. At that time Russia had stepped aside and had backed down in supporting its ally Serbia. But, in 1914, Russia vowed to stand behind Serbia and entered the fray after gaining a promise of support from France. In response to Russia mobilizing forces to fully support Serbia, Germany declared war on Russia on August 1, 1914. Several other declarations of war followed immediately. Thus, the assassination of Francis Ferdinand on June 28, 1914 became the trigger that sparked the outbreak of World War I, originally called the Great War.

The war continued for over three years, and the opposing armies fought from trenches that stretched across Belgium and northeastern France. Extreme patriotism and national pride gave many men on both sides of the war a cause that they were willing to die for. Advances in engineering and military technology enabled War plants to turn out vast quantities of newly invented weapons capable of extraordinary slaughter. These weapons actually took the lives of millions of people. The First World War unleashed the demons of the 20th century's mechanized warfare, resulting in mass deaths. It was in WWI that the airplane was first used in combat. The British-invented Battle Tank ripped through barbed wires and crossed the trenches. The Machine Guns' rapid fire

slaughtered attacking infantrymen and made the war more deadly than the earlier wars. The Submarine proved its value as a warship and successfully challenged British sea power. However, incompetent leaders on both sides of the divide failed the people in the region costing lives of millions of men in uniform.

The American Intervention

The United States of America remained neutral to start with. However, many Americans turned against the Central Powers following German submarines sinking unarmed ships. In the meanwhile, the war continued on several fronts with great gusto. The Russian people suffered greatly in the war and by 1917 many were no longer willing to put up with the enormous casualties and severe shortages of food and fuel. As a result, in early 1917 with Petrograd uprising, Czar Nicholas II was forced out from the throne. But the new government continued the war. Around this time the United States of America joined the Allied powers in 1917 and provided enough US troops giving them the manpower they badly needed to win the war with Germany. To weaken Russia's war effort, Germany helped V. I. Lenin, a Russian revolutionary then living in Switzerland to return home in April 1917, while Germany and Austria-Hungary continued their fighting with Russia on the Eastern front.

Lenin, back home, led an uprising that gained control of Russia's government. A revolution broke out in Russia in October 1917. Following this, Russia asked for a truce thus ending the war in on the Eastern front enabling Germany to concentrate its fight on the Western front. The Central Powers were gradually losing the War. Lenin immediately called for peace talks with Germany. And, by the fall of 1918, the Central Powers surrendered on November 11, 1918, with the Germans accepting the armistice terms demanded by the Allies thus ending the Great War. Hence, November 11th of each year is celebrated as the Armistice Day the world over. A significant result of the Great War was the emergence of Bolsheviks in Russia, the Fascists in Italy, and the Nazis in Germany, whose contribution to loss of human life in the years ahead was so great that the bad memories and scars of that period remain even to this day!

The war originally expected to be over quickly by the main actors, however, lasted four long years, taking the lives of nearly ten million troops. The First World War was a conflict of unprecedented ferocity which abruptly ended the relative peace and prosperity of the Victorian era and created the modern world! That was not the end of it. It sowed the seeds for the next big war. The Treaty of Versailles imposed by the Allied forces had terms harsher

than what Germany had expected and it weakened the postwar government. This resulted in a strong nationalist movement in the late 1920s and early 1930s led by Adolf Hitler who later gained power in Germany. Hitler on assuming power promised to avenge Germany's defeat in First World War and ignored the terms of Treaty of Versailles. Thus, in 1939 Germany invaded Poland and World War II had begun! Ultimately, the First World War solved very little, led to an even more widespread and destructive bigger war, with a higher cost of human life and suffering.

Several books have been published detailing the history of the Great War. However, Barbara W Touchmn's The Guns of August published in 1962 is an interesting read about the World War I. The book won the Pulitzer Prize in 1963 for general non-fiction.

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Editor's Note: This article is a condensed version. Readers interested in the full text may either email the author or Freedom First at freedomfirst1952@gmail.com

IIT-M's a Threat on An Environmental Issue (Cont'd. from page 16)

If it is so difficult for Tatas to acquire land, one can imagine the problem that can be faced by an educationist to acquire 1000 acres to build an institution to global standards. Do you expect the IITs funded by the Centre to do this?

Thus, instead of blindly raising concerns over environmental destruction, the protestors should provide some alternatives.

One does not see our higher educational institutions emerging with a reputation of a Cambridge or Oxford in the UK, Harvard, Columbia, Caltech, MIT or Wharton in the US or Insead in France. China and South Korea have shown commendable progress.

I suggest intellectuals not to follow the Medha Patkar/Kejriwal mode of heading demolition squads against development, but be constructive in providing viable alternatives.

S Viswanathan
Editor & Publisher, Chennai

** Your editor takes the online advocacy group Change.org very seriously and when convinced signs petitions without hesitation. On certain other matters where I am not*

convinced I ask advice from people we can rely upon. When I received the following excerpt from Change.org I sought the advice of Mr. S. Viswanathan, Editor and Publisher. His letter forms the text of this article.

"The Guindy National Park (GNP) is dying a slow death by a thousand cuts. Green spaces that provided critical corridors for wildlife to move in and out of the park are being eaten into. National parks and wildlife sanctuaries require a buffer zone around them where human activities are strictly regulated and pressures on the ecosystem and wildlife are kept to a minimum. Without such buffers, parks have little chance for surviving in the long run. Such a buffer zone is legally mandated. The Tamil Nadu Government has refused to notify a buffer zone around the Guindy National Park.

"This will mean that even the last remaining green spaces and the wildlife habitats around the Guindy National Park, such as the Raj Bhavan and Indian Institute of Technology-Madras' campuses, will have no protection under law. Along with GNP, the Raj Bhavan and IIT-M campuses contain the last remaining healthy stands of the rare Southern Thorn Forests and the Tropical Dry Evergreen Forest types".

Of Five Remarkable Jews

"There was once a wise Jewish man. He said that the essence of all wisdom is what you have in your head! His name was Solomon.

Then came another wise Jewish man. He said that the essence of all is what you have in your heart!! His name was Jesus.

Then came a third wise Jewish man. He said that the essence of all is what you have in your stomach!!! His name was Marx.

After him, came a fourth wise Jewish man. He said that the essence of all is what you have between your legs!!!! His name was Freud.

Then came another wise Jewish man – wiser than all before – Einstein. He said everything is relative!!!!!"

From the Net. Courtesy R. N. Bhaskar



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Sir Syed Ahmad Khan

On the occasion of the 67th Independence Day of the Islamic Republic of Pakistan, we provide our readers with a brief essay of the man who is considered as the father of the Two-Nation Theory.

Sir Syed Ahmad Khan, KCSI (17 October 1817-27 March 1898), born Syed Ahmad Taqvi, commonly known as Sir Syed, was a Muslim philosopher and social activist in British India.

In 1842, Emperor Bahadur Shah Zafar II conferred upon Sir Syed the title of Javad-ud Daulah, and Emperor Shah Alam II conferred Syed Hadi upon Syed Ahmad's grandfather in the middle of the 18th century. In addition, the Emperor added the title of Arif Jang. The conferment of these titles was symbolic of Sir Syed's incorporation into the nobility of Delhi.

Born into Muslim nobility, Sir Syed earned a reputation as a distinguished scholar while working as a jurist for the British East India Company. During the Indian Mutiny of 1857, he remained loyal to the British and was noted for his actions in saving European lives.

After the revolt, he penned the booklet *Asbab-e-Baghawat-e-Hind* (The Causes of the Indian Mutiny) – a daring critique, at the time, of British policies that he blamed for causing the revolt. Believing that the future of Muslims was threatened by the rigidity of their orthodox outlook, Sir Syed began promoting Western-style scientific education by founding modern schools and journals and organising Muslim entrepreneurs. Towards this goal, Sir Syed founded the Muhammedan Anglo-Oriental College in 1875 with the aim of promoting social and economic development of Indian Muslims. One of the most influential Muslim politicians of his time, Sir Syed was suspicious of the Indian independence movement and called upon Muslims to loyally serve the British Raj. He denounced nationalist organisations such as the Indian National Congress, instead forming organisations to promote Muslim unity and pro-British attitudes and activities.

Sir Syed advocated the adoption of Urdu as the lingua franca of all Indian Muslims, and mentored a rising



generation of Muslim politicians and entrepreneurs. Prior to the Hindi-Urdu controversy, he was interested in the education of both the Muslims and Hindus and this was the period in which Sir Syed visualised India as a “beautiful bride, whose one eye was Hindu and the other, Muslim”. Due to this view, he was regarded as a reformer and nationalist leader.

There was a sudden change in Sir Syed's views after the Hindi-Urdu controversy. His education and reformist policies became Muslim-specific and he fought for the status of Urdu. Maulana Hali writes, in his book, *Hayat-e-Javed*,

“One day as Sir Syed was discussing educational affairs of Muslims with Mr. Shakespeare, the then Commissioner of Banaras, Mr. Shakespeare looked surprised and asked him, ‘This is the first time when I have heard you talking specifically about Muslims. Before this you used to talk about the welfare of the common Indians.’”

Sir Syed then told him, “Now I am convinced that the two communities will not put their hearts in any venture together. This is nothing [it is just the beginning], in the coming times an ever increasing hatred and animosity appears on the horizon simply because of those who are regarded as educated. Those who will be around will witness it.” Sir Syed is hailed as the father of the Two Nation Theory and one of the founding fathers of Pakistan, along with Allama Iqbal and Muhammad Ali Jinnah.

Early life

Syed Ahmed Khan was born in Delhi, the then capital of the Mughal Empire. He was an Indian educator and politician, and an Islamic reformer and modernist. His family is said to have migrated from Arabia to Wamghan in Iran, and then moved to Herat in Afghanistan in the time of Emperor Akbar.

Many generations of his family had since been highly connected with the Mughal administration. His maternal grandfather Khwaja Fariduddin served as wazir

in the court of Akbar Shah II. His paternal grandfather Syed Hadi held a mansab, a high-ranking administrative position and honorary name of Jawwad Ali Khan in the court of Alamgir II. Sir Syed's father Mir Muhammad Muttaqi was personally close to Akbar Shah II and served as his personal adviser.

Sir Syed was born at a time when rebellious governors, regional insurrections and the British colonialism had diminished the extent and power of the Mughal State, reducing its monarch to a figurehead. With his elder brother Syed Muhammad Khan, Sir Syed was raised in a large house in a wealthy area of the city. They were raised in strict accordance with Mughal noble traditions and exposed to politics.

Their mother Azis-un-Nisa played a formative role in Sir Syed's life, raising him with rigid discipline with a strong emphasis on education. Sir Syed was taught to read and understand the Qur'an by a female tutor, which was unusual at the time. He received an education traditional to Muslim nobility in Delhi.

Under the charge of Hamiduddin, Sir Syed was trained in Persian, Arabic, Urdu and religious subjects. He read the works of Muslim scholars and writers such as Sahbai, Rumi and Ghalib. Other tutors instructed him in mathematics, astronomy and Islamic jurisprudence. Sir Syed was also adept at swimming, wrestling and other sports. He took an active part in the Mughal court's cultural activities.

His elder brother founded the city's first printing press in the Urdu language along with the journal Sayyad-ul-Akbar. Sir Syed pursued the study of medicine for several years but did not complete the course. Until the death of his father in 1838, Sir Syed had lived a life customary for an affluent young Muslim noble.

Upon his father's death, he inherited the titles of his grandfather and father and was awarded the title of Arif Jung by the emperor Bahadur Shah Zafar. Financial difficulties put an end to Sir Syed's formal education, although he continued to study in private, using books on a variety of subjects. Sir Syed assumed editorship of his brother's journal and rejected offers of employment from the Mughal court.

Career

Social reforms in the Muslim society were initiated by Abdul Latif. He founded "The Mohammedan Literary Society" in Bengal. Sir Syed Ahmed Khan established the Mohammedan Anglo-Oriental College. Later, this institution

came to be known as the Aligarh Muslim University. He opposed ignorance, superstitions and evil customs prevalent in the Muslim society.

He firmly believed that the Muslim society would not progress without the acquisition of western education and science. Having recognized the steady decline in Mughal political power, Sir Syed entered the British East India Company's civil service. He was appointed serestadar at the courts of law in Agra, responsible for record-keeping and managing court affairs. In 1840, he was promoted to the title of munshi. In 1858, he was appointed to a high-ranking post at the court in Muradabad, where he began working on his most famous literary work.

Acquainted with high-ranking British officials, Sir Syed obtained close knowledge about British colonial politics during his service at the courts. At the outbreak of the Indian Revolt, on May 10, 1857, Sir Syed was serving as the chief assessment officer at the court in Bijnor.

Northern India became the scene of the most intense fighting. The conflict had left large numbers of civilians dead. Erstwhile centres of Muslim power such as Delhi, Agra, Lucknow and Kanpur were severely affected. Sir Syed was personally affected by the violence and the end of the Mughal dynasty amongst many other long-standing kingdoms. Sir Syed and many other Muslims took this as a defeat of Muslim society. He lost several close relatives who died in the violence. Although he succeeded in rescuing his mother from the turmoil, she died in Meerut, owing to the privations she had experienced.

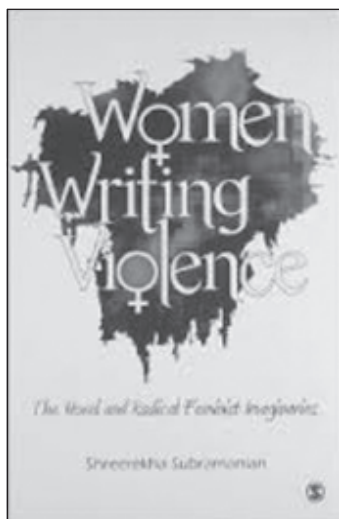
COURTESY: Global Marathi, March 27, 2013.
From a Reuters despatch from the Wikipedia.

Global Slavery Index reveals India has half the world's slaves.

The country with the largest estimated number of people in modern slavery is India, which is estimated to have between 13,300,000 and 14,700,000 people enslaved. The India country study suggests that while this involves the exploitation of some foreign nationals, by far the largest proportion of this problem is the exploitation of Indians citizens within India itself, particularly through debt bondage and bonded labour.

Courtesy: R.N.Bhaskar.
For details visit
www.globalslaveryindex.org

BOOK REVIEW



WOMEN WRITING VIOLENCE: The Novel and Radical Feminist Imaginaries by Shreerekha Subramanian • Sage Publications, New Delhi • www.sagepublications.com • 2013 • pp. xxxix + 269 • Rs.750.

Reviewed by Dr. Prema Nandakumar, author and freelance writer. premnand@gmail.com

Having spent school-time in the days of King's English (prior to Elizabeth II ascending the throne), today's English grammar wielded by our scholars does make me wince. Women writing on violence? The

massacre". The moment of tragedy is terrible, but even more horrendous is the moment of a survivor's return to the place where the tragedy had occurred two decades earlier. River Massacre becomes the gateway to freedom for Annabelle.

Shreerekha is never gruelled for want of matter in projecting how violence had directed creative imagination in the last century. Partition provides the stage for Bapsi Sidhwa's *Cracking India*. Sadism leaves no chink for the victim to verbalise the angst. Silence is all so the 'eyes' step in to tell the tale. "Dead while living and exiled from the familiar in terms of home, labor, and love, Santha's eyes provide the 'unsayable' alternate history, the 'unsayable' like the 'dead' writing history with their absence."

As we move forward and backward, our faith in humanity gets almost to the vanishing point. We get closer to the detective-style of Toni Morrison in dealing with racial prejudices even in the midst of violence, which is further embroiled in gender violence. The woman is always at the receiving end! The trilogy of Morrison is a mind-boggling meeting place of the past and the present, the living and the dead, men and women. And then, there are only founding fathers, never founding mothers! "The male conspiracy to attack, shoot, and destroy the female residents of the convent" doesn't send shivers down my back. For I have just heard (July 1, 2014) the Bengali actor and Trinamool Congress Member of Parliament, Tapas Pal threaten members of the opposition party openly that he would "let loose my boys in your homes" to rape CPM women. And this is spoken in the India of today!

Hence, it is all the more vital that we struggle with the text and absorb what the author has to say in *Women Writing Violence*. The books dealt with by Shreerekha are not easy to read. How do we react when the much-abused Heer sends out the cry of unbelievable pain to Allah: "Whose sin is this? Mine? Whose world is this? Yours?" Tahmina Durrani's *Kufr* (Blasphemy), like many other novels of this kind shows that we are but a step away from the non-real like Heera standing beside her own grave. As

violence unleashed by women's writing? But no matter. Shreerekha Subramanian has pounced upon an in-subject. Most of the dozen novels by women I reviewed in the course of the last twelve months were spattered with violence. Like this lady who revels in mind-curdling scenarios as when a girl binds a man's hands with her dupatta and leaves him, "half-naked, face down, in a hotel bathtub, in a pool of his own making, his belly slathered with his own urine". One has to sift carefully the novels with a feminist message from all this sadistic writing wearing the dark veil of realism. The task becomes more difficult when one spreads the net to catch wares from a global production. So much of suffering for the gender delicately referred to as the "gentle sex" once upon a time?

Swimming across the foam-lipped eddies of critical lingo, we manage to get a clear idea of a few novels in **Women Writing Violence**. This is because Shreerekha is an expert in preparing synopses that leave no loose ends. Edwidge Danticat's **The Farming of Bones** (1998) takes us to the infamous Parsley Massacre in 1937 ordered by the Dominican dictator Trujillo in Haiti. It was a genocide intended to destroy all Haitians. We learn of the total terror through the lives of the young Haitian lovers, Anabelle and Sebastian. The way Danticat has woven the tragedy reminds one of the *Stree Parva* in the *Mahabharata*. The heartbreaking scenes, history, individual memories and our own personal experiences enter our consciousness thanks to the deft movement of the imagined story which is nevertheless woven out of real life. Refugees in their own land, men and women full of life become disposable garbage at the whim of a 'cleansing' dictator. So many versions of Adolf Hitler! "Twentieth century is a century of

daughter, as wife and as a mother – million the sorrows that afflict women. Can we easily forget Mahashweta Devi's *Sujata*, "the mother of 1084"? Amrita Pritam is no stranger to students of feminist studies, and Mohandas Nemishrai turns to one who is openly misused by society, the prostitute glorified with the term, 'courtesan'. He is the lone male novelist chosen by Shreerekha, and it may be remembered that it is men who have led movements in favour of women's emancipation. *Aaj Bazaar Bandh hai* is a crucible containing politics, economics and the Dalit question as well. What are these women but "the brides of the nation"? Yet, Nemishrai cannot gain the sympathy of Shreerekha.

"Nemishrai's narrative, despite his most acute efforts to thematically and stylistically account for the feminine voice and patriarchal oppression, is not feminist. Caught within the existing framework of masculine novelistic

discourse and Dalit resistance literature, it fails in subtle ways to how Spivak, amidst a school of subaltern scholars asserts that the western educated elite intellectual cannot speak for the subaltern or make the subalterns speak, to speak for the woman."

This is a highly subjective view of gender-specification. As Virginia Woolf rightly pointed out long, long ago, there are no air-tight compartments in the minds of men and women just because they are biologically different. She said, "It is fatal to be a man or woman pure and simple: one must be a woman manly, or a man womanly." That is the truth about creative literature when genuine, sterling sympathy holds hands with a writer's imagination. India's Bhasha literature is rich in this domain. **Women Writing Violence** is a good prod for taking up further reading on the subject. The detailed notes, all of sixty pages in fine print, are a browser's delight.

Higher Education

One folktale that's been spun from this is that you'll never earn a living wage unless you have a college degree. This is patently untrue. Our trade professions are clamoring for quality employees to keep up with the demands of a recovering economy. "The homebuilding industry faces a chronic shortage of skilled workers," laments Jerry Howard, chief executive of the National Association of Home Builders. In many professions, workers can earn as much or more than someone with a degree in marketing or advertising.

Excerpted from Karen Cates in *Business Week*, July 16, 2014. Courtesy: R. N. Bhaskar

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Educating Adults

Challenges before the New Government

We, *Freedom First* included, have got into the habit of labelling the government of the day by the party or the coalition which emerged victorious. We must accept the fact that, whether we like it or not, the victorious party is the government of India or of a state, as the case may be.

In the 2014 elections to the Lok Sabha, the National Democratic Alliance (better known as the NDA – a coalition of 28 parties) convincingly beat the United Progressive Alliance (better known as the UPA – a coalition of 12 parties). For the first time in 30 years the leading partner of the NDA, the Bharatiya Janata Party (better known as the BJP) obtained a majority of its own. Again for the first time since the first general elections of 1951-52, the leading partner of the UPA, Indian National Congress (better known as the Congress Party), did not win enough seats to qualify for the position of the Official Opposition (i.e. that it did not win at least 10% of the total number of seats in the

Lok Sabha.)

A majority of those who voted in the 2014 elections favoured the NDA. This entitled this coalition to form the Government of India. Once sworn in, they are no longer the NDA government but the Indian Government. This is today's fact of life. Let us not confuse election rhetoric with ground realities

The following symposium, comprising two teachers and five students from three colleges in Mumbai viz. Dr. Jyoti Marwah, Head, Department of History, and ICLES' Motilal Jhunjhunwala College of Arts, Science & Commerce, Navi Mumbai and Dr. Rita P. Bhambi, Associate Professor & Head, Department of History G. N. Khalsa College, of Matunga and four students from these two colleges and a student from the Ramnarain Ruia College also in Matunga, discuss various aspects of the political economy that the new government has to contend with.

Of 'Bitter Pills' and 'Bullet Trains'

Rains have failed, the Iraq crisis has escalated, couple of train mishaps, rapes and assaults on women and rail reforms have challenged the Government in the very first month of its rule. The All India- Corruption and Citizens Welfare Core Committee has alleged criminal breach of trust with a PIL over the railway fare hike and rising prices of all commodities. To be fair we need to give them some more time to assess them correctly.

Bureaucrats have been summoned to wipe off the dust and start reporting. To some extent the Budget packaged a populist agenda by giving tax exemptions for the lower income group. The service class has been mildly placated as a Budget of 15-20 lakh crores seems to have

something for everyone. There are 100 crores for each from tribal welfare to girl child to metros to preservation of heritage sites to beautification of cities to Himalayan studies and organic farming and much more. Technology and modernisation of cities and services has added a punch to the brew. The picture will become clearer only in February 2015.

200 million Indians will reach the working age over the next two decades. The Prime Minister (PM) has to 'revamp archaic laws' and revive the 'flagging economy'. This he needs to do by focusing on the rural non-farm sector, labour intensive segments of the services and by boosting the manufacturing sector for creating millions

Dr. Jyoti Marwah



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of jobs. One example is the food processing sector. India produces 400 million metric tonnes of perishables but only 15% is processed. Agricultural output will nearly double to 30 lakh crores by 2030 from 13 lakh crores in 2011. Likewise consumption will double to 22.5 lakh crores by 2030 from 11 lakh crores in 2010. Processed foods GDP will grow to US \$ 250 billion to create new jobs and if taken seriously it should not be difficult to feed our people and create new jobs up to 10 lakhs by 2020 in this sector. Keeping this in mind, the Budget has probably spared the processed food products from a price hike.

The PM has promised to work towards improving services, modernisation and maintenance of trains and railway stations. It has to unearth the Rs. 60,000 crore scams in terms of projects initiated by the previous government of which only one has been completed. Having done so, it has to build on the failures and rectify then. He has pledged rapid economic growth, creation of jobs and opportunities and not dole out subsidies. He has cautioned the people that things will get worse before getting better and therefore prescribed the 'bitter pill' as being unavoidable. For instance petrol, oil and gas must cost more to break even.

Hence, he has declared that that rail fares will be

proportionate to the fuel prices but withdrew increase in Railway Fare Passes. So India can expect further hikes as and how the middle-east crises deepen to impact the oil market. The election promise of introducing bullet trains and running the railways as a commercial business is visible in the Rail Budget. As PPP and FDI will get entry into the Indian Railways the common man is unable to apprehend its impact on his pocket. In a densely populated country like ours can we afford bullet trains running at 350 kmph? The cost of one corridor from Mumbai to Ahmedabad is 60,000 crores. Where is the finance and how will the railways ensure safety of travellers? Travelling on Rajdhani is fearful when it runs at just 120-160 kmph. I can recount the day in 2011 when I was stranded in the middle of the night, a little ahead of Kota, as the Mumbai Delhi Rajdhani on which I was travelling caught fire charring three bogies. I was in B-4 and the fire had engulfed the pantry, B-1 and B-2. We poured out like beans on to the tracks and ran into the fields at 2.30 in the night and remained there till 6 a.m. before being huddled and packed off by the same train, after the charred bogies were separated from the rest of the train. Honestly it was a narrow escape as the train was not speeding, for at high speed we would all have been charred to death.

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Economy in Dire Straits

Dr. Rita Bhambi

Narrowing the Current Account Deficit

A sharp narrowing of the current account deficit, to under 2% of GDP in 2013-14 from a record high of 4.8% the previous year, was helped by steps to curb gold imports. Higher duties and other restrictions almost halved gold imports, but the moves have been deeply unpopular. Gold smuggling surged after the measures, casting doubt on reported data. The NDA promised to review gold import duties within three months of coming to power. That may please gold buyers, but not investors, as concerns about the current account deficit sent the rupee to a record low last August; fixing the structural challenges that keep the current account deficit wide, such as the weakness of manufacturing exports, could take years to reverse.

Dealing with RBI and El Nino

The new government may face a factor beyond its

control: the El Nino weather pattern, typically associated with weak rains. Analysts say El Nino could batter India's farm output. Citigroup estimates that below average rainfall in the June-September monsoon could shave 0.50-0.90 percentage points off its economic growth forecast and lead to a spike in inflation. Upsurging prices could spark tension with the central bank, whose governor, Raghuram Rajan, has made containing inflation a priority. The Reserve Bank of India wants to bring down consumer price inflation to around 6 per cent from the current 8.6 per cent by January 2016, which would probably mean more interest rate increases. It has raised rates three times since September.

Reviving Private Investment

Market expectations from the new Government are based largely on perceptions of the PM's track record as chief minister in Gujarat, where he is widely credited with

attracting investment. However, analysts say replicating that nationwide will be difficult, given that states wield much of the power in approving projects. Capital investment contributes nearly 35 percent to India's economy, but it barely grew in the fiscal year that ended in March as delays in clearances and funding issues grounded many infrastructure projects. That is particularly the case with state electricity boards, which remain hobbled by losses caused in part by the high cost of fuel and their inability to raise prices correspondingly. Short of recapitalizing state utilities, the central government has few choices in pushing for a restructuring.

Recapitalizing State Run Banks

India needs to address a \$100 billion pile of inherited bad loans at its state-run lenders - about 10 percent of all loans. Fitch Ratings expects stressed assets to reach 14 percent of loans by March 2015. The bulk of these bad loans are related to infrastructure projects, which have made banks circumspect in lending. The interim budget set aside 112 billion Indian rupees (\$1.89 billion) to help the sector meet the minimal capital ratios mandated by Basel III norms, but more will be needed.

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Are We Again Heading Towards One Party Dominance?

Nitish Giri, Rahul Singh and Rekha Chaudhary

Though NDA was hurled to power at the Centre in the 16th Lok Sabha elections, unfortunately they don't have a single Muslim MP in the present Lok Sabha.

Of the other highlights in this election, were the thumping victory of Jayalalithaa's AIADMK in Tamil Nadu, Mamata Banerjee's Trinamool Congress in West Bengal and Navin Patnaik's Biju Janata Dal in Orissa. The INC was completely wiped out by the BJP in Gujarat, Rajasthan and Delhi. The BJP annexed all 26 seats in Gujarat, all 25 in Rajasthan, and all 7 in Delhi. In Uttar Pradesh the BJP in alliance with Apna Dal won 73 of the 80. In Bihar again BJP in alliance with the LJP walked away with 28, in Maharashtra it was 23 with the Shiv Sena getting 18 and in Madhya Pradesh the party romped home with 27 seats out of 29.

Narendra Modi's remarkable victory has changed politics by breaking down the Congress system of coalition governments at the centre since 1989 and by so doing will it resurrect the early Congress style of one party dominance at the centre for more than two decades? This could make it autocratic and a tragedy. The essential difference is that in four major states, West Bengal, Orissa, Tamil Nadu three different state parties too have established convincing over-all majorities. In some other states the INC is still in power and in Kerala it heads a coalition government.

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PM Narendra: Mountain of Problems

Rahul Sunilkumar

Narendra Modi is faced with a mountain of problems. For example - how to revive an economy marred by scandals and scams and, side-by-side, provide employment and make the nation a force to be reckoned with. He has been inspired by China's model of high-growth, top-down development. But the country he is governing is India: messy, diffuse and democratic. Here are some challenges and tasks that the new Government

of India, headed by Prime Minister Modi, will need to deal with:

- * Throughout his election campaign, Modi had attacked the Congress-led UPA government of failing to curb inflation, preventing corruption and retarding the economic growth rate of the country. In this context, bringing economy back on track, accelerating growth

rate, increasing foreign exchange reserves, attracting more and more Foreign Institutional Investors, containing the burgeoning fiscal deficit and, above all, infusing a sense of optimism in the market will be the first and foremost challenge before the BJP-led NDA government.

- * As the main opposition party BJP had always attacked the Congress-led UPA government for its weak and direction-less foreign policy, and its soft approach to terrorism. Though the BJP's election manifesto speaks very little in this regard, it is quite certain that India's foreign policy will undergo a "sea change" under the Modi government. With the big economies, especially the United States led by Barack Obama, realizing the need to bridge the gap with the new PM, it would be interesting to see how the NDA regime reciprocates the hand of friendship extended by the West.
- * Despite concerted efforts by the BJP central leadership to woo the minorities, the Muslims in India still see the party dominated by Modi – an aggressive, authoritarian and polarizing leader – with skepticism. Though Modi has fallen short of saying 'sorry' for the Gujarat carnage, he and the apex BJP leadership have taken significant steps towards repairing the bridge with the minorities while staying to the party's

Hindutva agenda.

- * Even before Modi was declared the BJP's PM nominee, it was said that he needs to fear his own party colleagues more than his rivals in other parties. This holds true with the emergence of several power centres in the party. A section of leaders in VHP and RSS have opposed Modi, who is seen as a ruthless, authoritarian and an uncompromising leader who demands 100 percent loyalty. Modi needs to learn how to cohabit with adversaries.
- * Modi is a workaholic, who has no single case of corruption against him. Gujarat's progress and prosperity have made his "Gujarat Model of Development" a talking point. He needs to maintain the same tempo while at the Centre too and for this he would need a loyal and committed team, which will discharge duties with honesty and maintain the sanctity of posts. Hence, a strong and inspiring Cabinet is a must for Prime Minister Modi. However, in doing so, he will have to "accommodate" everyone, while also maintaining cordial ties.

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Miscellaneous Comments

Qureshi Fareen Abdul Wahid

Reassuring India's Religious Minorities

In his first speech as Prime Minister Narendra Modi vowed to work for all Indians. He took a tough line in his campaigns speeches on illegal immigrants from Bangladesh. His critics accuse him of failing to stop or even allowing gruesome Hindu-Muslim riots in 2002 in the state of Gujarat where he was chief minister. Modi denies the accusation and a Supreme Court inquiry did not find evidence to prosecute him.

Internal Security

India's main internal security threat is from the Maoists. They have acquired guns, hand grenades and guerilla war expertise over the years and routinely target security forces and other government officials in areas that contain the country's richest mineral deposits. Top

Indian iron ore miner NMDC Ltd and the world's top coal miner, Coal India Limited, are spending increasing amounts on security.

Centre-State Relations

The new federal government will need to mend frayed ties with state governments. A fear of losing fiscal power forced some states to delay the roll-out of nationwide goods and services tax (GST), which economist estimate would have boosted India's economic growth by as much as 2 percentage points. Modi needs to act fast since states hold the key for a revival in capital investments, which barely grew last fiscal year as delays in clearances grounded many infrastructure projects.

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A LESSON ON THE PRACTICE OF SECULAR VALUES

We would like to share with our readers an open letter by Robert A. Lindsay the President and CEO of the **Centre for Inquiry (CFI)** received in our mailbox. Lindsay spells out the CFI's vision of a "better world", a vision we share.

You must also read on this page the dignified manner in which CFI withdraws support for a law which **opposes** discrimination on the basis of religious beliefs arising from a US Supreme Court judgement!

Our belief in secular values is tempered by the fact that we Indians are part of a multi-religious society with 'tolerance' as the key word in the beliefs of a majority of our religious practitioners. We need to go beyond mere tolerance, conceding the fact that even while accepting various religious beliefs as a fact of Indian life we should not allow "religious" considerations to get entangled with our temporal life.

"Dear Friend,

At the **Center for Inquiry**, our vision for a better United States – *for a better world* – is clear. We are working toward a secular society based on science, reason, freedom of inquiry, and humanist values. In concrete terms, these are the goals that we think are most important:

- Protecting the rights of free expression and freedom of conscience for everyone.
- Ensuring that nonbelievers everywhere – in the U.S. and around the world – are treated as fully equal members of society, worthy of dignity and respect.
- Keeping religion out of public policy, particularly when it comes to the reproductive freedom of women.
- Maintaining the separation of church and state.
- Basing public policy on sound science over ideology and superstition, whether it's climate change policy or the regulation of alternative medicine.

These commonsense goals meet incredible resistance, but they are absolutely achievable. But they are achievable only if we work together – **only if we can count on your financial support.**

*

We're Suspending Support of the Employment Non-Discrimination Act. Here's Why:

Last year we (the US-based Centre for Inquiry (CFI)) helped rally support for the Employment Non-Discrimination Act (ENDA), a bill in the U.S. Senate that would prohibit discrimination against LGBT Americans in employment, and that bill passed. This week, we have suspended our support of ENDA, and we think it's important to explain why. It might not surprise you to know

that it has a lot to do with the recent Hobby Lobby decision by the Supreme Court, and special privileges for religion.

You see, in order to get this non-discrimination bill passed, it contained language that exempted "religious employers" who might consider such a law a violation of their free exercise rights. **We absolutely opposed this exemption**, but reluctantly swallowed it as a political necessity for passage, as the exemptions would be limited to "genuinely" religious employers such as churches, ministries, religiously affiliated universities, hospitals, and other religious non-profit organizations. But what we expected to be a narrow provision of an overall good bill is in danger of being interpreted extremely broadly.

Last month in the case of *Burwell v. Hobby Lobby Stores*, the Supreme Court ruled that this limit was insufficient, and in the case of the contraceptive mandate of the Affordable Care Act, they declared that for-profit corporations (which employ over half of all Americans) have, under the Religious Freedom Restoration Act (RFRA), a right to refuse on religious grounds to provide contraceptive coverage in employee health care plans. In other words, even though Hobby Lobby is a regular business, they get to opt out of following the law because they claimed a religious privilege.

This sets the stage for all manner of religious exemptions to generally applicable laws, to be claimed by businesses of any kind, and it absolutely puts ENDA in danger of being rendered almost wholly moot. If it were to become law, with its current language about religious exemptions for discrimination, the Hobby Lobby decision ensures that any for-profit corporation could declare a religious objection to hiring and equal treatment of LGBT Americans, and never face a penalty for discrimination.

So what was once a narrow political necessity for a greater good has become an unacceptable flaw. **The Center for Inquiry believes passionately in the full equality of all individuals, regardless of who they are, where they come from, what they believe, or who they love.** The Employment Non-Discrimination Act, as currently written, no longer serves that cause, but rather gives the government's seal of approval to employers' use of religion as an excuse for trampling on the rights of LGBT Americans in both the non-profit and for-profit sectors.

We cannot accept that, and we won't support it. CFI will settle for nothing less than a strong federal law that protects from employment discrimination all LGBT individuals, full stop. When that bill surfaces, it will have the full weight of our enthusiastic support.

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THE LIBERAL POSITION

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SEETHA
- * Getting on with the Reforms Process
SUNIL S. BHANDARE
- * Taking Forward the Liberal Agenda
C. S. DESHPANDE

LIBERAL PRIORITIES FOR INDIA IN THE 21ST CENTURY EDITOR: ANJALI PATIL-GAIKWAD

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- * Good Governance and Development
SANJAY PULIPAKA
- * Challenges to Development in the Liberal Framework
R. A. JAHAGIRDAR
- * Decline in Liberal Values
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