



Irresponsible rhetoric

India must resist the temptation to imitate Pakistan in its provocative tactics

Statements by senior functionaries of Pakistan including Prime Minister Imran Khan threatening war and violence against India and in Jammu and Kashmir are irresponsible, escalatory and dangerous. Mr. Khan has even spoken about the possibility of a nuclear war, albeit couched in language purportedly meant to be about the dangers of it, while a Minister went to the extent of announcing a time frame for starting a war. Several diplomats have called for jihad. Pakistan's reputation as a reckless nuclear power is reinforced in all this, and its continuing support for Islamist terrorist outfits is not doing any good for the people of J&K. Pursuit of military parity with India has ruined Pakistan economically, though the compact of generals and clerics that controls it has flourished. These vested interests have placed Kashmir as central to Pakistan's national identity that they understand as exclusive and Islamist. Now under fire for being ineffective in the face of India's recent measures with regard to J&K, Mr. Khan and his allies are ratcheting up the rhetoric. The military that is in step with him, tested a surface-to-surface missile amid the tensions. Pakistan is trying to catch the world's attention and assuage the perilous passions its state policies have created in its society.

Unlike Pakistan, India has set for itself high standards as a democratic secular polity and a responsible nuclear power. Its behaviour in all circumstances must live up to its reputation. New Delhi rules out mediation by any other country in its relations with Pakistan, on grounds that it is capable of resolving all issues bilaterally. Since 2014, India has also rejected any role for Pakistan on the question of J&K. Indian Ministers have been saying that the only point to be discussed with Pakistan is the return of parts of the region that is under its control currently. Simultaneously, New Delhi has also ruled out any talks with political leaders in J&K, separatists or mainstream. India has also indicated that it would be open to reviewing its 'no first use' nuclear doctrine. India calculates, probably rightly, that global powers caught up in their own crises have no inclination to be involved in any India-Pakistan dispute. Indian leaders have expressed willingness to talk to Pakistan on the one hand, and on the other hand made menacing statements primarily meant to sustain nationalist passions back home. Ambiguity may be a good tactic in diplomacy at times, but this occasion warrants stated clarity that India does not seek conflict. Having disrupted the equilibrium in J&K, India must now work harder to restore it and reaching out to Pakistan may be well worth it. At any rate, the government functionaries must resist the temptation to match the Pakistan leadership in irresponsible rhetoric.

Citizenship, figured

The final NRC list should have led to closure, not vexed beginnings

The publication of the final National Register of Citizens on Saturday brings no closure to the vexed issue of illegal immigration to Assam yet. Those left out are not foreigners until the tribunals set up to determine their fate pronounce them so. The process could go all the way to the Supreme Court. The Home Ministry has also extended the time to file appeals against exclusion in the Foreigners Tribunal from 60 to 120 days. The point, however, is that the process has yielded an updated register, and a figure. It has had its warts and all even as it left over 1.9 million people staring at statelessness — in a continuing saga of glaring omissions, a serving lawmaker, a former legislator, and retired Army man Mohammad Sanaullah, whose case propelled NRC excesses into the spotlight, did not make the cut. But protests across the spectrum expressing concern over the excluded, suggest the judiciary-led process was perhaps largely robust and the errors were more procedural than targeted. The State government and many political parties have promised to offer legal help to those excluded, but such assistance should have been forthcoming from the time the updating exercise was rolled out on the ground in 2015. Instead, it was mostly left to sundry organisations and concerned activists to come to the aid of hundreds of thousands oblivious of documentation novelties such as legacy data.

Beyond that lies the question of what to do with those declared illegal aliens once the quasi-judicial process is done and dusted. The administration is readying detention centres, but only a veritable 'prison state' can house such numbers. Options being banded about include instituting a system of work permits, a renewed attempt to nudge Dhaka to take in some of the declared foreigners with appropriate deal sweeteners (though India has thus far maintained that the NRC update is the nation's internal matter, and Bangladesh has never acknowledged any illegal crossings across its borders), or 'friendly' State governments volunteering to share some of the burden. While the Assam Chief Minister struck a temperate tone, the studied silence of the Prime Minister and the Home Minister on publication day is unnerving. Of greater concern is the stance of the de facto No. 2 in the State government, who said that the NRC was no quarter-final, semi-final and final for driving out Bangladeshis and promised "more finals". The Centre might have a plan in place, but if it is in the form of the Citizenship Amendment Bill to extend citizenship to non-Muslims alone, left after judicial filtration, that would negate the very non-denominational premise of the exercise to identify those who entered the country illegally after the cut-off date of March 24, 1971. While the apex court could still consider limited re-verification to satisfy sentiments even though it had rejected the plea in the run-up to final publication, the aim should be to bury the bogey of the Bangladeshi.

Banking on the banks for expansion

The government accepts that the economy needs more growth but could end up paying for its inaction



PULAPRE BALAKRISHNAN

In 2005, a Nobel laureate in economics claimed that the "... problem of depression-prevention has been solved". He was exulting over an innovation in economic theory according to which fiscal policy, associated with profligacy, had no role whatsoever. Just a few years later, following the North Atlantic financial crisis, the U.S. fiscal deficit had to be raised three-fold, he responded, "I guess everyone is a Keynesian in the foxhole", implying that in the face of an impending crisis it is alright to rely on fiscal policy after all. A similar pragmatism is absent from economic policymaking in India today.

By meeting industrialists for policy inputs so soon after the Budget for the year had been presented and then, via a press conference held a few weeks later rolling back some of the tax proposals in it, the government revealed its anxiety about the state of the economy. This is only to be expected of a party that came to power promising to transform it. Far from having significantly improved the performance of the economy in its first term in office it has been presiding over an economy in which growth has been declining for close to two-and-a-half years by now. So what did the Finance Minister offer in her press conference? And can we expect it to be game-changing?

Three sets of announcements pertain to concessions impacting upon the automobile sector, proposals for the banking sector and a

change in a practice of the Income-Tax Department. Of the first it may be said that addressing the problems of any one sector when several are equally stressed is not fair governance. There have been reports of severe stress in the packaged foods industry for instance and we have long been aware that the agricultural sector has been troubled after demonetisation.

Of the revision of the procedure adopted for issuing an IT notice, it can be said that it does address the issue of tax terrorism, but only a thorough social audit of the processes adopted by the tax authorities can establish whether it would be sufficient to ensure that honest firms are not being hounded and that the government receives all the revenue due to it. Industrialists are under pressure to not speak out against high-handedness, and the compulsory retirement of income tax personnel for malpractice recently point to not everything being well within that department. That leaves us with the proposals for the banking sector. Of these it can be said right away that some of them are quite sound; but if the government's intention was to reverse the slowing of growth they are unlikely to make much of a difference.

Infusion without reforms

Most significant among the measures related to banking is the infusion of capital upto ₹70,000 crore into the public sector banks. This is expected to contribute to a potential ₹5 lakh crore expansion of credit. With this the government has frontloaded a provision already announced in the Budget. This transfer is now going to be made right away. This is a major step in the direction of taking the banking sector to a more solid foundation. There is also a proposal to ensure that loan decisions taken by bank-



ers are treated as economic decisions and not as instances of corruption when a loan goes awry.

Public sector banking has been hobbled by the colonial attitude that India's public servants cannot be trusted, leading to a continuous surveillance that is not conducive to their exercising initiative in lending. At the same time, the present non-performing assets crisis points to the role of political pressure on banks in the past. Without addressing both these issues we can never transit to a strong banking sector. So the capital for the long term infusion should have been accompanied by governance reforms that both enforce honest behaviour and ring-fence the public banker from political pressure.

Policy rate cuts

Finally, there was the announcement that public sector banks will pass on more of the policy rate cuts that the Reserve Bank of India (RBI) has effected in several rounds by now. The government's frustration at this not having happened is easily imagined but is the proposal for a near automatic adjustment sound by itself? It is tantamount to the lending rate of banks being determined by the RBI's actions. There is after all the risk premium that banks tack on to

their prime lending rate, which itself depends on factors other than the policy rate. Overall, the move towards having commercial bank rates move in tandem with the repo rate by fiat is not advisable. The decision should be left to the banks.

Let us, however, assume for a moment that lending rates are set to be lowered whatever be the mechanism. Will this revive the economy? It is apparent from the Finance Minister's press conference that the government thinks this will happen. Generally, the potency of monetary policy in reversing sluggishness in the economy is considered to be weak. The belief among economists is that while a rise in the rate of interest can hold back a decision to invest by raising the cost of finance, an interest rate reduction can do little in the absence of an urge among investors to commit capital. A lack of understanding of the factors governing investment is evident in the suggestion often seen in the press that the government must 'revive animal spirits' in the economy. Animal spirits were originally imagined as the spontaneous urge to either undertake investment or hold back from it. The expectation of future profits is the key element here for potential investors. The government can have a role only if it can affect long-term profit expectations. Certainly not by lowering interest rates.

Focus on private investment

Presently, we are witnessing an interesting strategic interaction. The government accepts that the economy needs more growth but insists that this can only come via private investment and the private sector awaits an improvement in growth before deciding whether to invest. It is not clear whether the basis of the government's insis-

tence on private investment alone is ideological or based on fiscal considerations. Whatever it may be, it is clear that if it does not get proactive now, it could be left waiting for a private investment that may not be forthcoming.

Our experience of the five years of very high growth over 2003-08, when the economy grew at its fastest ever, tells us that three factors had played a role in it. These were unusually high rates of agricultural growth, record levels of public investment and buoyant exports. The package announced by the Finance Minister on August 23 did not relate to any of these. Of course, exports depend to an equal extent on factors beyond India's control but the government could have addressed the other two factors. Notably, it had nothing for the rural sector which clearly needs attention. For a start an expansion of the Mahatma Gandhi National Rural Employment Guarantee Scheme, with attention paid to building assets that most strongly impact agricultural output, may be considered. As for public investment, it is the elephant in the North Block. The government is reluctant to step it up, harping on fiscal space, but fiscal space is for a smart government to make up. Instead this one shrunk the space for public investment by introducing an income scheme exclusively meant for farmers just before the elections and then expanding it soon after it returned to power. It was a case of rewarding political support rather than attending to the needs of an economy known to be slowing. When in the foxhole you imagine that you are on a mountain top, you end up paying for your fancy.

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A new ethics for a sustainable planet

Viewing the transnational challenge of climate change through the narrow lens of nationalism will only spell disaster



SUJATHA BYRAVAN

Brazil's Amazon forests are ablaze with dozens of fires, most of them set intentionally by loggers and others seeking greater access to forest land. How long the fires can continue is unclear. But at this scale, they are paving the way for a global climate catastrophe. While European leaders and civil society in many places are organising protests to oppose policies that encourage the fires, the Brazilian President Jair Bolsonaro has stated that they are an internal matter and that they were actually started by the very non-governmental organisations who are now shouting "fire".

The American President Donald Trump has withdrawn from the Paris Climate Agreement stating that it is against the national interests of the U.S. Across the Atlantic, British Prime Minister Boris Johnson, a vocal critic of European integration, has spoken from both sides of his mouth on climate change, receiving funding from climate science denial groups while saying that he would lobby the U.S. to take climate change more seriously.

Meanwhile, many cities in Europe and elsewhere have seen high temperatures never before

experienced. Heat waves have also accelerated melting of glaciers in Greenland at a rate that was not anticipated by scientific models until much later this century.

The burning of the world's largest forest reserves, the withdrawal of the world's leading polluter from a major international treaty and the U.K.'s isolationist policies may appear to be the triumph of nationalist ideology. But these actions have consequences that far transcend national boundaries and impact all creatures that share life on the planet.

While energy and transport are mainly responsible for the accumulation of greenhouse gases (GHGs) in the atmosphere, changes in land use patterns too have made significant contributions. Deforestation, industrial agricultural systems and desertification are major drivers of climate change. Agriculture, forestry and other land use activities accounted for a little less than a quarter (23%) of the total net anthropogenic emissions of GHGs between 2007-2016.

The Intergovernmental Panel on Climate Change (IPCC) recently brought out a special report on Climate Change and Land that covers desertification, land degradation, sustainable land management, food security and greenhouse gas fluxes in terrestrial ecosystems. Very wide in its scope, the report makes it clear that unless land is managed in a sustainable manner, the diminishing chance that humanity will survive climate change



will become smaller still.

Land management

Land is part and parcel of people's lives. It provides food, water, livelihoods, biodiversity and a range of other benefits from its ecosystems. Land use is indeed interlocked with several aspects of life on earth. For example, decades of poor land management in the agricultural system are coming back to haunt us. Soils have become depleted with heavy use of chemicals, farms have few or no friendly insects, monoculture has led to a reduction in the use of indigenous crop varieties with useful characteristics, groundwater is depleted and polluted farm runoffs are contributing to contaminated water bodies while destroying biodiversity. We have created a system that no longer supports agricultural households, and the stresses have led to farmer suicides.

Managing land better for farming would entail implementing more sustainable agricultural practices. It would mean, for instance, reducing chemical input drastically, and taking the practice

of food production closer to natural methods of agroecology, as these would reduce emissions and enhance resilience to warming. The report calls for avoiding conversion of grassland to cropland, bringing in equitable management of water in agriculture, crop diversification, agroforestry and investment in local and indigenous seed varieties that can withstand higher temperatures. It also recommends practices that increase soil carbon and reduce salinisation.

Establishing sustainable food systems means reducing food waste, which is estimated to be a quarter of the food produced. It also necessitates eating locally grown food and cutting meat consumption. Alongside these changes, it is important to put an end to deforestation, while conserving mangroves, peatland and other wetlands.

To make these significant changes and reduce inequality and poverty, land use policy should incorporate better access to markets for small and marginal farmers, empower women farmers, expand agricultural services and strengthen land tenure systems. Sustainable land management can reduce multiple stressors on ecosystems and societies. It will also help societies adapt better to warmer climates and reduce their greenhouse gas emissions.

Fresh template needed

In thinking about how to address the transnational challenges of climate change and land, the narrow

lens of nationalism is no longer serving us. We need a new planetary ethics that supports alternative systems for the future, for a sustainable earth. It is one that cultivates the growth of ecological sensibilities, supports pluralism, enhances quality of life, shifts values away from consumerism and creates new identities and cultures that transcend conventional boundaries.

A plea for such values is not new, and there have been successful civil society movements that have transcended borders, for example, La Via Campesina, The Transition Network, and Ecoregionalism. More recently, Fridays for Future and Fossil Fuel Divestment are part of such evolving sensibilities. How we move forward with these successes to create a sense of solidarity across boundaries, instead of building fortress worlds, will contribute to the path we build.

In the Great Transition Initiative, Paul Raskin has said that seeing our place as part of the web of life, instead of at its centre, requires a Copernican shift in world views. Just as Copernicus changed the perception of the earth from the centre of the universe to being one among many planets, so too will our sensibilities have to shift. If we fail to see our place as being part of the planet, we may well go down with it.

Sujatha Byravan is a scientist who studies science, technology and development policy

LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

A failure of imagination

The exclusion of over 19 lakh people from the National Register of Citizens (NRC) represents a humanitarian problem of enormous proportions for the country (Front page, "Over 19 lakh excluded from final NRC," Sept. 1). The NRC is a failure of imagination. The very idea of excluding and deporting those considered "foreigners" repudiates the notion of common humanity outlined in the *vasudhaiva kutumbakam* principle and glosses over the simple fact that the history of mankind is the history of migrations. It is significant that most of the excluded people are poor, landless and illiterate people without documents to establish their residency

Big mergers

The sole purpose of the merger of Public Sector Banks (PSBs) is to increase the size of the banks. Through this, half a dozen banks, each having its own culture, strengths and set of customers, are being subsumed into four large banks. Such undue rationalisation is bound to

or legacy. The NRC has also demolished the myth of 'massive influx' of illegal migrants into Assam. Provided there is human kindness, the excluded persons too can be accommodated in the list and saved from facing an uncertain future and undergoing immense human suffering.

G. DAVID MILTON,
Maruthancode, Tamil Nadu

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cause reduction in service points to customers, perhaps impacting the quality of services as well. There will be disruption of a large scale. Further, prospects for bank employees to move up will be less. Fresh recruitment will reduce, impacting the employment situation. Big loans may also bring in big bad debts. Frauds may increase. I only hope that this does not turn out to be another folly of the Modi government like demonetisation, where lakhs of Indians lost their businesses and jobs (Editorial, "Big bank theory," Aug. 31).

B.G. BALIGA,
Thiruvananthapuram, Kerala

■ Though the merger of banks is a welcome move,

the haste shown by the government in announcing the mergers, at a time when the economy is in a difficult situation, is questionable. The earlier merger of Vijaya Bank and Dena Bank with Bank of Baroda has not had the desired effect. The government has failed to meet the Finance Minister's promise that concerns of staff would be taken care of and employees are facing mass transfers. The present set of mergers will only compound main concern of Indian banks, the burden of Non-Performing Assets (NPAs). The government, rather than focusing on bringing to book the economic offenders who fled the country after fleeing the banks, has engaged in a clear diversionary tactic. It would

have done well to at least consult the unions of bank employees before making such a drastic move.

R. GIRIDHARAN,
Coimbatore

No boots on the ground

Former Ambassador Bharat Raj Muthu Kumar is right in cautioning India not to fall into the trap of the U.S. by placing our troops in Afghanistan (Front page, "How India armed the Northern Alliance," Sept. 1). Already, the splinter war groups in Afghanistan that were engaged in fighting Russian forces in the 1980s

CORRECTIONS & CLARIFICATIONS:

In the Editorial page article titled "Spelling out the government's RBI windfall" (Aug. 31, 2019), it was erroneously stated the Jalan Committee to assess the quantum of economic capital of the RBI was set up in end-November 2019. It should have been 2018.

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