



The rot in farming

We must enable a sustainable price discovery for agricultural produce

To say it is a domino effect of the loan write-offs for small and marginal farmers by the Uttar Pradesh government may be simplistic, but farmers in different parts of the country have begun agitating for waivers. In Tamil Nadu, they have given the State government two months to meet their demand for a full waiver or face a fresh agitation. Maharashtra Chief Minister Devendra Fadnis, in the face of protracted protests by farmers, has announced a blanket loan waiver for 'needy' farmers, with an estimated outgo of ₹35,000 crore. In Madhya Pradesh, Chief Minister Shivraj Singh Chouhan has resisted announcing a waiver, but unveiled a 'package' that includes a 'settlement scheme' to bring loan defaulters back into the credit net with interest-free loans. Farm groups in Punjab also began dharnas on Monday for loan waivers and other interventions. Finance Minister Arun Jaitley has categorically said States must generate their own resources to fund such largesse, and the Reserve Bank of India has warned of inflationary risks from fiscal slippages caused by large farm loan waivers. However, it would be short-sighted to see the rising angst in the farm sector as simply the desire of farmers around the country to keep up with U.P. There are deeper reasons that must be addressed holistically.

The problem is price discovery. In fact, there is deflation in pulse and vegetable prices. The RBI has acknowledged that already falling vegetable prices dipped more sharply because of 'fire sales' following demonetisation, and pulses are cheaper because of high output on top of imports. Prices for eggs, oils, cereals and milk are moderating, and while the sharp fall in food prices has kept consumer price inflation tepid, rural distress has been aggravated. The new cattle trade rules threaten the viability of livestock and dairy farming. Banks are awash with funds since the note ban, but rural lending growth collapsed to 2.5% in the second half of 2016-17 and even shrank in several States, including Punjab and Maharashtra. Prices of fuel used by rural households have surged for three successive months. It is this squeeze on several fronts that seems to have pushed farmers to the brink. In consultation with the States, the Centre must reconsider whether it is prudent to narrowly target low food inflation. If India wants to be the world's food factory, its farm policy needs to recognise farmer requirements for state support. If consumers and producers can benefit from a single national market in the GST era, farmers should also have the freedom to sell their produce where and when they want – with a predictable policy framework (no flip-flops in export-import stances, for instance) that enables farm-to-fork supply chains independent of local mandis and traders. Labour and land reforms also need to be revisited to create more opportunities beyond farming, and irrigation and other infrastructure projects speeded up to boost farm productivity.

Feats on clay

While Nadal sealed his greatness at the French Open, Ostapenko announced her promise

In sport, there aren't many tests tougher than playing Rafael Nadal on Parisian clay. For over a decade, the Spaniard has reduced nearly every player, regardless of reputation. Roger Federer included, to an unrecognisable heap of dust. On Sunday, when he did the same to Swiss Stan Wawrinka to win an unprecedented 10th French Open title and his 15th major overall, it was just a reiteration of the same. Nadal lost only 35 games all tournament, a number second only to Bjorn Borg's 32 in the 1978 French Open, and did not concede more than four games in any set he played. Coming as it did after two years of under-performance, troubled by a creaky wrist and stripped of his aura, it might well be his most significant title. This does not mean that Nadal's status as the greatest of all clay-courtiers was ever in doubt. As the 31-year-old himself said after thrashing Dominic Thiem in the semi-final, "I think I don't need to make more history. It's enough. Nine are more than good." Rather it should highlight, more vividly than ever before, that Nadal is no ordinary dirt-baller. When he won for the first time at Roland Garros in 2005, he was seen as yet another of those cautious, risk-averse, immovable objects the clay-court specialists were. Through 15 Grand Slam titles, including two Wimbledon titles, he has proved that his tactical nous and regenerative powers are second to none. The last fortnight perhaps offered a glimpse of what a devastating blend a happily married offence and defence is.

On the women's side Jelena Ostapenko, the 20-year-old Latvian, sent out the same vibes with her triumph as a teenager Nadal had done in 2005. If Nadal had won his maiden title in his first attempt in Paris, for Ostapenko the 2017 win was the first trophy of any kind and helped her become the first unseeded woman to win at Roland Garros since 1933. Like when Maria Sharapova, all of 17, mowed down Serena Williams at Wimbledon in 2004, Ostapenko played with a panache that belied her experience. She was up against Simona Halep, the favourite, in the final but so nerveless was her performance that even being a set and 0-3 down did not affect her poise. She lived by the sword, making 54 winners and as many errors in the final. It's a tactic that does not always fetch the right dividend on clay but credit should go to Ostapenko for persisting with her attacking mindset. Admittedly, the women's draw was shorn of stars with Williams, Sharapova, Victoria Azarenka all absent, Petra Kvitová just about recovering from a knife attack, and World No.1 Angelique Kerber anything but that. Regardless, the competitive quality on the women's side was a notch above the men's, and Ostapenko, playing five thrilling three-set matches out of her seven, was a testament to this.

The road from St. Petersburg

Nostalgia may be useful, but it cannot make up for a lack of substantive drivers in India-Russia ties



SHYAM SARAN

There has been a certain depressing pattern in India-Russia relations over the past decade. Annual summit-level meetings have been marked by expressions of nostalgia for the glory days of Indo-Soviet friendship, declarations of solemn intent to take contemporary relations to new heights and highlighting common perspectives even as the two countries mostly go their respective ways. The St. Petersburg Declaration issued at the end of Prime Minister Narendra Modi's recent visit to Russia appears not much different in this respect.

Convergences, divergences

This is not to say that the two countries do not continue to have important convergent interests. Certainly there are specific areas such as defence hardware and technology, nuclear energy and oil and gas where their cooperation is of mutual benefit. There may even exist longer-term convergence in helping shape a multipolar international political and security architecture.

However, these shared interests must be balanced against divergences that are inherent in the very dramatic transformations which have taken place in the two countries themselves, and in the regional and global situation since the end of the Cold War, which have inevitably altered the overall context of our relations. This altered context has to be acknowledged by both sides, and rather than cling to the assumptions of a very different past, there should be an unsentimental reckoning of both the challenges and opportunities that could define India-Russia relations in the new millennium.

It is fine to say that our relations



are "immune" to the changes in the geopolitical situation. This is good political packaging but we should accept that in reality this is simply not true. India-Russia relations today are very different precisely because we are very different countries today and the world is very different from the 1960-1990 phase of the India-Soviet strategic partnership. The cordiality and mutual trust of the past may be leveraged to fashion a new relationship but they cannot substitute for a lack of substantive drivers in the relationship.

Let us look at how the key assumptions underlying the Indo-Soviet strategic partnership, pre-Cold War, has changed.

Shared China concerns

One, it is the shared perception of a Chinese threat which brought Delhi and Moscow together. The end of the Cold War changed this, with Russia no longer looking at China as a current security threat. The early settlement of their border dispute, the expansion in their economic and trade relations and the emergence of China as a major recipient of Russian weapons and defence technologies brought about an asymmetry in perceptions of China between India and Russia. But Russian perceptions of a long-term Chinese challenge to its interests persisted, and still do. For example, Russian nuclear experts have been reluctant to deep

cuts in nuclear weapons in bilateral negotiations with the U.S. precisely because the gap with China's expanding and qualitatively better nuclear arsenal is diminishing and this heightens Russian concerns. Chinese inroads into Central Asia and Eastern Europe are also a concern for Russia, which regards both these regions as part of its strategic periphery. These concerns may currently be muted because Russia needs Chinese support in confronting a hostile U.S. and Western Europe.

What this means for India is that we need to adjust to a new and more positive phase in Russia-China relations, learn not to rely on Moscow to confront Chinese hostility towards India or support India against Pakistan, but seek to build a broader framework of relations based on the longer-term Russian concerns about the emergence of China. Russia, like India, prefers a multipolar world and is unlikely to accept a junior league status in a Chinese-dominated world. The St. Petersburg Declaration describes India and Russia as "great powers". That is signal enough that neither is about to succumb to Chinese pretensions to singular dominance. For the same reason, Russia may welcome a higher-profile role by India in Eastern Europe and Central Asia. In this context, India should pursue the proposed Free Trade Agreement with the Eurasian Economic Union and seek to

play a more active role in the Shanghai Cooperation Organisation as a member.

Two, it is in India's interest to see an improvement in relations between Russia and the U.S. and Western Europe. It is the coordinated support of these three major partners of India which enabled us to overcome Chinese opposition and obtain the unprecedented waiver from the Nuclear Suppliers Group in 2008. This is no longer the case. The U.S. under President Donald Trump appeared to be moving in the direction of normalising relations with Russia, but this now seems unlikely as reports of Russian involvement in the American electoral process become more compelling. However, the very unpredictability of Mr. Trump and his roiling of the Western alliance confronts both U.S. allies and adversaries with the need to avoid misunderstanding and misperceptions. A more united and coherent European Union may well be open to re-engaging with Russia, and this should be encouraged by India. In an increasingly fluid international situation, an India which has strong relations with the U.S., Western Europe and Russia is in a unique position to play a larger geopolitical role. It can use its enhanced relations with each to upgrade its relations with the other major powers. This will also diminish Chinese pressures on India.

Defence, nuclear, energy ties

Three, India and Russia should focus on maintaining and expanding their already considerable cooperation in the defence hardware and nuclear energy sector. Both sectors are important to Russia as well as to India. The loss of the Indian market in these two areas would be a blow to Russia and they would deprive India of advanced technology not always accessible elsewhere. However, there is no need for India to accept terms and conditions which are onerous merely because of sentimentality. During the recent visit, one heard nothing about the fifth-generation fighter aircraft that the

two sides had agreed to co-develop and produce almost a decade ago. It is probably just as well since whatever one had heard about the Russians constantly changing goal posts and revising costs did not augur well for India's long-term interests. We should not have to go through another Admiral Gorskov episode, which has left such a bitter taste.

Four, since the end of the Cold War, India sought to establish a strong, long-term energy partnership with Russia. While some important deals like the Sakhalin oil and gas project have been a success, the early promise of expanding cooperation in this sector has been mostly belied. Russia has seen its interests better served by giving priority to Western Europe and China. India has been rather low on the radar. In St. Petersburg, there was a reference to India and Russia setting up an "energy corridor" and another reference to the use of natural gas as a relatively clean and climate-friendly fuel. One hopes that this statement of ambitious intent is followed up with some concrete and practical steps. India has been reluctant to use gas for power generation. Does the joint statement signal a rethink in this regard and will Russia play a role as a major supplier? One will have to await details.

This 18th annual India-Russia summit appears to have been more substantive than the previous ones, and one hopes that in a rapidly evolving geopolitical landscape, India and Russia find a more realistic basis and more compelling reasons to work together. One's assessment of Russia's foreign policy remains: its current closeness to China is tactical; its long-term interest both globally and in its neighbourhood are not aligned with China. India should pursue its relations with Russia keeping this reality in mind.

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Upholding Chavismo

The Venezuelan Opposition needs to support democracy and help in drafting a new Constitution



ABDUL NAFEY

Democracy is said to stand consolidated when no one challenges the legitimacy of the process to access power. In Venezuela, the Opposition wants a restoration of the old order, one in which power and privilege came as inheritance. Political actors of different hues, who were united in their common distaste for late President Hugo Chávez, have been determined to strip President Nicolás Maduro of the presidency ever since the Opposition gained a majority in the national legislative elections held in December 2015.

The National Assembly was particularly incensed by the Supreme Court order of March 29, 2017 which upheld the power of the President to make energy deals with international oil firms. Crude exports bring in 95% of the country's foreign exchange, and, with prices remaining low for three years, it is never easy to find joint venture partners for the heavy and

extra-heavy crude production. The National Assembly has obstructed every joint venture between the state-owned oil company and foreign oil firms. With its no-holds-barred politics, it has opposed even steps such as establishment of 'fair price' shops to sell essential food items at fixed rates. Major bills and other presidential initiatives have remained stalled. Further, the legislature has rather brazenly sought to encroach upon the powers of judiciary and the President through measures such as ordering the release of political detainees.

A way out

With all offers of dialogue, including through papal mediation, having been rebuffed, Mr. Maduro has finally taken recourse to the Constitution to restore peace and overcome the politics of hatred and intolerance. Article 347 of the 1999 Constitution allows "the people of Venezuela" to convene a Constituent Assembly with the aim of "transforming the state" through a new legal framework. The National Electoral Council (CNE) has validated the election to a 540-member National Constituent Assembly (NCA) to be held on territorial and sectoral basis before the end of



July. To write the new Constitution, 364 members would be elected by the municipalities; the remaining 176 will represent the diversity of the nation, which includes local communities like those of the workers, the peasants and fishermen and the indigenous communities. It will be a participatory body – representative and multicultural in its composition. A registered voter, above 18 years in age, can contest for the NCA, which will be a non-partisan body. The NCA will be bound by the 'guidelines' enshrined in the Constitution. It will lay down the necessary statute for its working by remaining within the ambit of the principles that define the Republic and the framework of the 1999

Constitution.

The new Constitution, like the present one, will also, most likely, be put to referendum. Until then, all existing constitutional bodies, including the National Assembly, will remain in office. The stipulation under Article 349 that existing constitutional authorities "shall not be permitted to obstruct the Constituent Assembly in any way" does not mean the NCA assuming the legislative powers. Tibisay Lucena, president of the National Election Council, has assured the people that all regional and presidential elections will be conducted as scheduled for 2017 and 2018.

Ushering in change

When Hugo Chavez won the presidency in 1999, 50% of the Venezuelans were poor and another 20% indigent. When he died in 2013, only 24% of the population was poor, to quote the UN. He built one million homes for the poor; and gave land title to millions of squatters in and around Caracas. The country has the highest percentage of university enrolment in Latin America; likewise, the ratio of doctors remains higher than elsewhere in the region. Several hundred thousand emigrated from southern European and Latin

America countries to take advantage of the improved health and housing conditions offered by the Bolivarian regime; besides, Venezuela sheltered some 2,00,000 refugees who fled the conflict in Colombia.

In essence, Chavismo changed the social equilibrium; it has left no scope for the conservative, predominantly white oil patriarchy to return to power.

The expected 'Caracas spring' has not arrived. Protests are confined to the posh areas of Caracas and the other big cities. Slingshots and steel bullets, and not the much-hyped 'medicines-in-shortage', have become the most smuggled items. The streets of Caracas are witness to politics of cynicism aimed at precipitating conditions for a military coup.

Democracy stands consolidated when the given set of institutions become the only game in town. The Opposition in Venezuela must know this; it should support democracy even if it is opposed to the regime, and participate. The new Constitution will seek to make democracy the only game in town.

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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.

Expensive way out

Populist interventions such as farm loan waivers are very serious and expose rural and agricultural lending institutions to considerable risk ("Maharashtra capitulates to grant farm loan waiver", June 12). A striking example is Thailand where the populist Thaksin government announced a debt moratorium for small farmers in 2001 that seriously affected the Bank for Agriculture and Agricultural Cooperatives (BAAC). More than two million farmers owing over \$1.7 billion – a third of BAAC's portfolio – enrolled in the programme. As a result, BAAC's loan write-off rate jumped from 3% in 2001 to 12% in 2002, and its reserves for bad debt rose to 21% of its loan portfolio, according to Christen and Pearce, 2005. Another recent case occurred in India in February 2008 when the government announced a

comprehensive loan waiver for small farmers. Preliminary data indicate that approximately 369,000 farmers benefited from debt forgiveness. One of the immediate impacts was a steep drop in recovery rates. Moreover, it negatively affected the overall credit culture, says a report. A recent survey showed that one out of every four respondents wants to wait for another loan waiver. K.M.K. MURTHY, Secunderabad

Ripple effect

It is interesting that this year's Economic Survey has a detailed chapter on the leather and apparel sector. Here, the Chief Economic Adviser tries to highlight the importance of this sector as a key solution for rising unemployment. In this context, the decision of the government to put checks on the sale of cattle for slaughter is paradoxical. This is the same government whose Prime Minister was

endorsing the famous Kolhapuri chappal in Maharashtra. It is to be understood that the economic repercussions of the cattle ban are not only limited to the issue of freedom of food choice but also the livelihoods of the minorities and Dalits. NITHIN SURESH PUTHIYAPURAYIL, Bengaluru

Distasteful

Instead of focussing on eradicating poverty and promoting peace in these tense times and when there is farmer unrest in some parts of India and rights violations in Kashmir, it is disturbing that BJP President Amit Shah has chosen to make a distasteful comment about the Father of Nation, who showed the world that non-violence is an absolutely powerful weapon. I think that rather than give the Mahatma labels, we need to recognise him as the leader who was able to defeat the British, lead us to Independence,

and all this in a non-violent way. Has Mr. Shah forgotten this? ANAMIKA BAHUGUNA, Dehradun, Uttarakhand

Think renewable

There is absolutely no doubt that there is an urgent need to follow the path of sustainable development, especially in the context of climate change ("Expensive, hazardous and inequitable", June 7). But the approval of 10 nuclear power plants by the government raises many concerns and questions, a major one being the risk factor. We honestly know that Japan is leaps and bounds ahead of us in terms of infrastructure and technology but even then was unable to deal with Fukushima. If this is the case with a country such as Japan, how will our country, so highly populated, deal with even a small disaster? There are also questions regarding the viability of nuclear power plants. India is very lucky being a tropical

country and with abundant sunshine. There is huge potential for solar energy production. Hydroelectric power has also not been fully tapped. There is also wind energy. KARAN CHOUDHARY, Pathankot, Punjab

Nadal on a roll

After Roger Federer at the Australian Open, it is now Rafael Nadal at the French Open. These two legends have raised the bar and given their fans so much joy over the years that it may come as no surprise if the two of them dominate the sport in the coming months and rekindle the great rivalry. Nadal's 10th title at Roland Garros is a tribute to his resilience and a fitting reply to all those who wrote him off a few years ago. Never underestimate these two icons of tennis and let us sit back and enjoy another era of their titanic battles which we were fortunate to see ("Sport" page - "Nadal returns as the

king of clay with La Decima", June 12).

C.M. UMANATH, Marikunnu, Kozhikode, Kerala

■ The significance of this milestone is as competitive a sport as tennis and during an era when two other all-time greats, Federer and Djokovic, are competing will be better appreciated in times to come. More than Nadal's ferocious forehand, stamina or athleticism, it is his unshakable self-belief when playing on clay that makes him invincible. One struggles to find examples of such domination in other racket sports. Rudy Hartono in badminton with eight All England titles, Jahangir Khan with 10 consecutive British Open squash titles or Jansher Khan winning the World Open squash eight times are the only names that come to mind. CHANDRAMOHAN NAIR, Ernakulam, Kerala

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