



Red tape herring?

Abolishing the FIPB is just symbolism — to attract FDI, more reform is needed

Nearly four months after Finance Minister Arun Jaitley promised in his Budget speech to abolish the Foreign Investment Promotion Board, the Union Cabinet has approved its 'phasing out'. The FIPB was set up in the early 1990s as an inter-ministerial mechanism to vet investment proposals from abroad. The Department of Industrial Policy and Promotion under the Commerce Ministry is now expected to formulate a standard operating procedure to process foreign direct investment applications in 11 sectors that are still not in the automatic FDI approval list. The department would have to be consulted by line ministries, which have been empowered to take 'independent' decisions on investments proposed in their domains. The government believes that once the Board is history, red-tapism will shrink, ease of doing business will improve and investors will find India more attractive. However, the decision is little more than a symbolic gesture. Over 90% of investment flowing in already does not require an FIPB nod as it comes in through the automatic route. And while the FIPB may have delayed clearances at times, the efficacy of this move will be determined by the ability of individual ministries (and sectoral regulators which may be involved in the ultimate decision) to exercise 'discretionary' powers without fear, favour or the cover provided by a collective decision-making body.

Bureaucrats are likely to remain cautious till the government carries out changes it has promised to the anti-corruption law to protect them from the wrath of auditors and investigative agencies for *bona fide* decisions taken in the line of duty. The trouble is that even where FDI limits have been raised significantly, there are riders and rules attached that officers need to interpret for each case. FDI inflows have surged to record highs after a lull in the UPA's second innings, and long-awaited easing of FDI thresholds in certain sectors has been carried out. But cumbersome rules, not the FIPB, have been responsible for a less than enthusiastic response from foreign investors in some sectors. For instance, global insurers can hold up to 49% ownership in Indian ventures but only if Indians retain management and control over these entities — this is an onerous definition of control that has inhibited deal-making. Despite allowing 100% FDI in food retail, rules prohibit foreign players from using a small fraction of their shelf space for non-food items, affecting investment plans. This, in a sector that can create millions of jobs and boost farm incomes. On the other hand, archaic land acquisition and labour laws continue to make it difficult for large factories to come up. Looking ahead, the question on foreign investors' minds is this: if a prime minister with a formidable parliamentary majority doesn't remove such obstacles now, then when?

The chill in Brussels

Donald Trump's first NATO meet confirms America's drift away from its NATO allies

It was not a summit to indulge the nostalgia of a painstakingly nurtured post-War partnership between the U.S. and Europe. Nor was it an occasion to pronounce declarations of mutual solidarity to face up to an uncertain world. Such political and diplomatic language might, in any case, have struck an especially awkward note when leaders of the North Atlantic Treaty Organisation gathered in Brussels, given the very public airing of differences on the notion of a shared trans-Atlantic vision by U.S. President Donald Trump since his election campaign. Soon after his election, he reportedly enquired from the president of the European Council, Donald Tusk, which country was next in line to quit the European Union after Britain voted last June to leave. In turn, his election had been received in European Union circles with considerable dismay, if not disbelief. German Chancellor Angela Merkel even spelt out, in quite candid terms, the political basis of the EU's future engagement with Washington in her letter of congratulations to Mr. Trump.

While the alliance represents the military and security interests of the member-states, NATO member-countries are, in several other global forums, also knit together by an overarching commitment to preserve the liberal democratic world order they crafted in the aftermath of the Second World War. Against this backdrop, it was reasonable, at the minimum, to expect Mr. Trump to explicitly endorse the alliance's pledge of mutual defence under Article 5. Yet, in a familiar replay of the "America First" script, the summit on May 25 was reduced by Mr. Trump to brass-tacks matters of burden-sharing among the 28-member alliance and apportioning blame. Indeed, compliance with the treaty stipulation of a contribution of 2% of gross domestic product by individual states has been far from satisfactory, with the U.S. shouldering the bulk of the burden. The provision has even proved controversial, with Germany and other countries voicing scepticism about increasing NATO's defence budget. However, the fact that the issue of "chronic underpayments" to NATO should have almost dominated proceedings in Mr. Trump's first overseas engagement with America's European allies shows a lack of sense of the occasion and diplomatic finesse on his part. The overall stance has understandably caused considerable concern among European leaders, with prospects for the Paris climate agreement and revival of world trade looking bleak on Mr. Trump's watch. The hope is that Washington would at some point tone down its rhetoric on the contentious questions. A more accommodative stance *vis-à-vis* China and a willingness to renegotiate the U.S. trade agreement with Canada and Mexico seem to be signs of a course-correction. European leaders must hope he will move nearer to the traditional U.S. line on trans-Atlantic issues too.

The loss of innocence

India over the years has learnt the lessons of stoking animosities. Is it unlearning those lessons now?



HAPPYMON JACOB

The unprofessional behaviour of the young — perhaps even well-meaning — Army Major in the Kashmir Valley is proof of how an aggressive political establishment, and the "popular" support it enjoys, can transform the unlawful act into a nationalist issue. Otherwise, how is it that pinning a civilian to the bonnet of a jeep as a grim warning to the stone-pelting local population, reminiscent of what conquering militaries often do in vanquished lands, becomes an act worthy of praise?

Such a brazen display of aggression is also an unmistakable indication of the ongoing transformation of India's self-image. The conventional self-image of civilisational India as an inclusive, liberal and relatively non-violent polity with a strong urge to be a global success story may be fast changing, quicker than we realise — and for the worse.

No doubt, political and social change is inevitable in a country with a multitude of sociopolitical realities, more so when the erstwhile Congress system is being replaced with an equally overbearing, but far more ideologically zealous, Hindutva system of things. But to what end?

"Secularism is derided. Liberalism is challenged. Dissent is sedition. Questioning the government is anti-national" — not a cliché from some 'naïve armchair human rights activist', these are words of former Home Minister P. Chidambaram. The Gandhian-Nehruvian India is losing its innocence, abandoning a self-definition of romantic idealism to embrace brash realism, and in the process confronting a few ugly truths about itself. We always had that dark side to our socio-political self: the current political environ-

ment has merely enabled those dark forces to unveil our pretensions of civilisational sanctimoniousness.



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Aggression as strength

There is a great deal more unabashed aggression and hostility in the collective life of our nation today than ever before: the language of aggression is unmissable, be it in our political discourse, TV studios, passenger buses or marketplace. At a certain level, the aggression of the post-colonial underdog is understandable. Having been victimised — imagined, real or due to sheer incompetence — and undervalued, the 'subaltern' has finally decided to speak out. The problem, however, is that it is speaking the wrong language, of violence and otherisation, not of justice, strength and a rightful place in the comity of nations. Prime Minister Narendra Modi's evocative assertion, "earlier you felt ashamed of being born Indian," is symbolic of this new-found sense of strength. But then, the Hindutva faithful erroneously and often deliberately translates strength as aggression against fellow subalterns.

As a result, our great tradition of argument, public debate, intellectual pluralism and generosity (Amartya Sen, *The Argumentative Indian*) is transforming into a culture of violence, bullying and pettiness.

Our 'fiercely independent' media used to go after corrupt politicians and inept governments. Today, many of them prefer to preach down to us the virtues of nationalism and uses of brute force: prove your nationalism before you speak, they say!

Human rights and rule of law

There was a time we were 'reasonably' confident about the human rights record of our country, despite the aberrations in Kashmir and elsewhere, and would put up a genuine defence of it. We would reason that we were a new democracy, a state in the making, there had been imperfections, but these were no systematic human rights violations, and, in any case, many of those inadequacies would get self-corrected in due course. Is that the case any more? We seem to have assumed a new cloak of nationalist indifference today. We have given up paying lip service to the ideals of human rights, we do not even bother pretending that their violations don't exist: the new tendency is to justify human rights violations for the greater glory of the nation. "What's so wrong about tying a civilian to the bonnet of an army vehicle in a last act of self-defence?" goes the argument.

Hence, rule of law can be made flexible in the service of what is represented as national interest: a

mere mention of nationalism would do.

When our neighbours — Sri Lanka, Myanmar, Pakistan and others — were struggling with democracy, and getting individual liberty and religious freedom wrong, India, despite its many inadequacies, was widely seen as a regional hub of modern liberal values and social and religious inclusion. In the past, we provided refuge to the persecuted: today some of us are busy sending others to Pakistan, the country our founding fathers didn't want us to become. Weren't we all proud to belong to a multicultural India where we could eat, wear, speak and write what we wanted, with some reasonable restrictions? Everyone had his/her own space there. We knew we belonged here, and that was a settled matter. I am not so confident about that any more. Today we hesitate before taking positions on issues ranging from national security to eating habits.

We had a reputation for being a peace-loving nation. Our foreign policy, defensive military posture, and grand strategic behaviour displayed a strong desire for peaceful coexistence, stability and order in the region and a multipolar world. When in 1971, India aided the creation of Bangladesh (by breaking up Pakistan), world opinion was willing to live by India's declared peaceful intentions, and the international community did not go overboard when India conducted nuclear tests in 1998. The reason was simple: Notwithstanding India's nuclear weapons and the third largest army in the world, the world didn't think India harboured aggressive intentions. There was a time when India played with terror outfits, and a former Prime Minister was killed when the Frankenstein that we created came back to haunt us. We learned our lesson then: are we now unlearning those lessons? In today's India, how my opinion is viewed depends on who I am and which god I worship — not

on the merit of what I say.

A nation divided

For an avowedly peaceful country towards the outside world, we seem to make up by displaying a lot of aggression and fighting among ourselves, just as we were doing when the European colonisers arrived at our shores centuries ago. The process of cultural-nationalist purification underway in contemporary India will end up making a lot more 'others' within the confines of our nation. Who needs a Pakistan to bleed us through a thousand cuts if we end up hating each other with the Hindutva zealots fanning the fires?

Such aggression and consequent otherisation along caste, religious and political lines, masquerading as nationalism, in a country with rising unemployment, youth bulge, disturbingly skewed sex ratio and existing social anxieties could prove to be a recipe for disaster. Consider this, India ranks 141 on a Global Peace Index making it far less peaceful than several war-torn African nations.

Not that India has always been a peaceful country. However, we had our own indigenous ways of dealing with those conflicts, albeit not all of them noble. There was an underlying belief that domestic conflict resolution is a political project, not a terrorist menace. The Central government's muscular policy in Kashmir today, for instance, reflects how far our polity has moved away from traditional conflict resolution models based on negotiations, concessions and assimilation: violence seems to be the preferred instrument of our statecraft today, as India gets ready to mark the seventieth anniversary of Independence.

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A rewriting of Nehru?

Appreciating India's first Prime Minister on his death anniversary



SHAIKH MUJIBUR REHMAN

After the Bharatiya Janata Party's victory in Uttar Pradesh, some commentators once again compared Prime Minister Narendra Modi with Indira Gandhi as they had after the 2014 general election, perhaps misconstruing their common trait of an authoritarian streak for decisiveness. But from the point of view of ideology, Mr. Modi is more comparable to Jawaharlal Nehru than anybody else. On August 15, 1947, when Nehru came up with his "tryst with destiny", he would have hardly known that 70 years later, the man in his place could be so different in ideology and undo everything he stood or fought for.

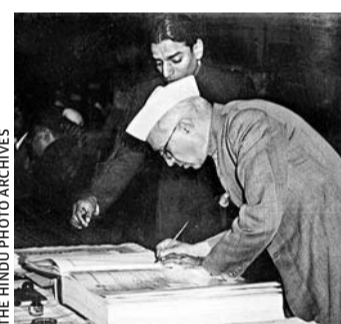
An 'undoing' of Nehru

Nehru and Mr. Modi are by far the two most ideological Prime Ministers in modern India. Atal Bihari Vajpayee was the first Prime Minister from a Rashtriya Swayamsevak Sangh background but he was accommodative, not secular. While Nehru wanted a left-aligned India,

Mr. Modi is working assiduously to move it towards the right. The undoing of Nehru is thus a necessary prerequisite. Federal regimes post-Nehru have considerably undone Nehru, consequently creating the conditions for Mr. Modi and his fellow travellers to move forward with ease.

In the 1930s, Nehru made it clear that the Congress party needed to embrace socialism to address the issues of justice and inequality. His speeches provoked many a Congress stalwart opposed to it. C.Rajagopalachari — once described as the "biggest man in Indian politics" by Lord Pethick-Lawrence, Secretary of State for India — even tried to stop Nehru from making such statements during his term as the Congress President. In 1927, Gandhiji had declared that Rajaji could be his successor; though by 1942, he had made a categorical statement in favour of Nehru as his successor. Others in the old guard such as Patel and Rajendra Prasad were also opposed to Nehru's project. On occasions, they even threatened to resign. Historians are yet to tell us definitively whether Nehru could have shaped Indian politics more decisively outside the Congress or not.

On August 15, 2014, Mr. Modi announced the end of the Planning Commission, a farewell that the



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policy-making body perhaps did not deserve. But the commission that was shut down amid controversy was also born out of controversy. When it was established in 1950, Nehru was accused of bringing in socialism through the back door.

Long before India officially drifted from Nehruvian socialism, the commission had moved away from many of its founding objectives. In post-reform India, the body proved to be adaptive to pursue liberalisation both under the United Progressive Alliance and the National Democratic Alliance. Therefore, Mr. Modi's decision to shut it down without objective evaluation only reflects his ideological conviction.

Antagonistic ties

The relationship between Nehru and the Hindu Right has always

been adversarial. Nehru was often blunt and elaborate in his criticism of the right, calling its activities as "communal, anti-national and reactionary".

But on one occasion, he extended his apologies for attacking the Arya Kumar Sabha, based on misleading information. This is an observation by Nehru on the right: "For many days every morning the newspapers brought me a tonic in the shape of criticisms and condemnations and I must express my gratitude for these to all who indulged in them. It is not given to everybody to see himself as others see him, and since this privilege has been accorded to me and my numerous failings in education, up-bringing, heredity, culture, as well as those for which I am personally responsible, pointed out gently, I must need feel grateful. I shall try to profit by the chiding I have received but I am afraid I have outgrown the age..." (Nehru, *Jawaharlal, Recent Essays and Writings*, Kitabistan, Allahabad, 1937)

Nehru was also accused of being soft on Muslim fundamentalists and separatists, though he attacked the Muslim League and the Muslim All Parties Conference with great zeal.

Interestingly, in his attack on Prince Aga Khan, he said: "Mr. Aga

Khan combines in himself, most remarkably, the feudal order and the politics and habits of the British ruling class, with which he has been intimately associated for many years." Described by some as the last British man to have ruled India, it was amusing that Nehru attacked westernised Muslims for being ineligible to represent Indian Muslims.

In his maiden speech in Parliament, Mr. Modi chose not to mention Nehru. In October 2015, while addressing the India-Africa Forum Summit in New Delhi, African leaders heaped praise on Nehru's contribution which Mr. Modi chose to ignore. There has also been more than one occasion when he has chosen to ignore Nehru.

While public conduct in a civilised democracy demands the extension of some basic courtesies towards leaders, some would say that this is fair game in ideological warfare. In the twilight of Nehru's life, the big question was, 'After Nehru, who?' Does the right hope to erase all traces of Nehru's memory in a manner that future generations of Indians will ask, 'Who was Nehru?'

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LETTERS TO THE EDITOR

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Exam, admission woes

The Central Board of Secondary Education (CBSE) undoubtedly offers a good curriculum and demands utmost competence from teachers to do full justice to the subjects. But the board must ensure that its students are not pushed into a spot of bother or worry. The moderation policy controversy, which has made CBSE students and teachers anxious and confused, could have been avoided had the board analysed and discussed the policy threadbare with educationists. Perhaps all boards across the country could have a standard grading system for admission to colleges and universities.

S. RAMAKRISHNASAYEE, Ranipet, Tamil Nadu

More than the prevailing practice of the benefit of grace marks in class X and XII, I strongly condemn the education policy of the

government in the treatment of students passing out of CBSE and State Board schools when it comes to their applying for undergraduate or professional courses. It is a fact that scoring high marks in class XII CBSE is more difficult than it is in a State Board exam. Most colleges refuse to acknowledge the merits of a CBSE examination over a State Board's with respect to the high standard of syllabus and the quality of education and teaching imparted. This is the reason why many switch over to State Boards after class X. In order to ensure uniformity in treatment of students, NEET-type exams must be conducted for those from the State Board system.

N. VISVESWARAN, Chennai

Crime unabated

The shocking incident in Uttar Pradesh, of another case of assault on women, highlights the urgent need

for prioritising action on crimes against women ("Man killed, four women gang-raped on U.P. highway", May 26). While the nation is in deep shock, horrified and angry over lawlessness prevailing in many parts of the country, and with women becoming the main targets, it also reflects the collective failure on the part of society to protect women as well as the lack of political will on the part of the government to put an end to this menace. Such cases of heinous crimes against women must be tried in fast-track courts and deterrent punishment put in place. Such a step is bound to have some results.

K.R. SRINIVASAN, Secunderabad

Human shield

As Major Leetul Gogoi continues to face flak for his actions, the question that arises is whether he is really the monster that everyone is portraying him to be

("Plan to honour Major: NHRC to hear plea", May 26). If you critically analyse the situation under which he was forced to resort to this move, we will find that hundreds of lives were saved that day. He could have fired at the crowd or he could have mowed the stone pelters down with a jeep. Instead, he chose a relatively non-violent way of dealing with the situation. The innocence of the man whose human rights were allegedly violated has still not been established. We also need to think about our defence personnel who are fighting for the stability of Kashmir.

UDAYAN SINGH, New Delhi

It is clear that there are quite a few who are "pacifists", unable to take in the reality of what it takes to battle a Pakistan backed militancy and face violent fundamentalists who are out to sabotage any attempts to let democracy

prevail in Kashmir. Why is a major who was rewarded for his risky effort in trying to restore peace and normalcy in such a dangerous environment under fire? Numerous civilians would have been besieged by a violent mob but for the major's deterrent move. It was non-violent.

J.K. AGATHAN, Thiruvananthapuram

I firmly believe that there was an error of judgment in "rewarding" the Major. The Army needs to review its methods in the Kashmir Valley. Such tactics must be dropped. Many would want the government to adopt Israeli-style tactics but they should understand that Kashmiris are Indians first. We cannot treat them as Israel treats Palestinians.

RAJOLI SIDDHARTH, Sitlwe, Rakhine, Myanmar

Corporate lifeline?

It is becoming increasingly clear that the crisis our

public sector banks are facing is being used as a convenient smokescreen to push through corporate interests ("A flawed rescue act", May 25). The Banking Regulation (Amendment) Ordinance is aimed at facilitating a write-off of corporate dues.

Reserve Bank of India officials are upholding privatisation as a panacea for ills afflicting public banks at a time when some of the leading private banks are outpacing public banks in NPA accretion. There have been no serious attempts to remove practical bottlenecks in recovery. The RBI has strangely refused to publicise the names of wilful defaulters, notwithstanding the Supreme Court's adverse observations in this regard. Is there any doubt about who is calling the shots?

MANOHAR ALEMBAATH, Manur, Kerala

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