



Message delivered

Not everything went right at the G-7 summit, but PM Modi got the ear of President Trump

Prime Minister Narendra Modi's twin missions as a special invitee to the G-7 summit in France over the weekend was to address the world's seven most advanced economies on Climate Change and Digital Transformation, but it was his meeting with U.S. President Donald Trump that wound up taking centre-stage. Mr. Modi took the initiative to clear the air about Jammu and Kashmir. This was necessitated by the repeated references that Mr. Trump has made about U.S. mediation between India and Pakistan over Kashmir, as well as a briefing by a senior administration official last week, who said that Mr. Trump would "want to hear from Prime Minister Modi on how he plans to reduce regional tensions and uphold respect for human rights in Kashmir". Both U.S. statements run counter to the Indian position that the withdrawal of special status to J&K under the Constitution is an "internal matter", and the issue of Kashmir will be resolved bilaterally with Pakistan. In the event, Mr. Modi appeared to have driven the message home, and Mr. Trump backed away from both statements. The two leaders also appeared to have made some headway on deadlocked trade talks between India and the U.S., and have decided that their trade representatives, USTR Robert Lighthizer and Commerce Minister Piyush Goyal, will meet ahead of the Modi visit to the U.S. in September.

The interaction between Mr. Modi and Mr. Trump appeared to be in line with the broader themes that characterised this year's G-7 summit, where bilateral meetings appeared a little more successful than the multilateral meeting itself. As host, French President Emmanuel Macron decided to invite Iranian Foreign Minister Javad Zarif, but the other G-7 members rejected any suggestion to include him in their conclave to discuss the future of the JCPOA nuclear deal. Mr. Trump's push to invite Russia back into the club (it was called the G-8 until Russia was suspended in 2014), which represents more than half the world's wealth also came a cropper as the other members did not agree to Russian President Putin's re-entry. As one of nine special guests invited to address various sessions, Mr. Modi spoke on how India is keeping its climate change commitments, but it was a session where Mr. Trump, whose presence was vital given the U.S.'s walkout from the Paris accord, didn't make an appearance. G-7 members also discussed the Amazon fire crisis and pledged over \$20 million to Brazil, but were rebuffed after a spat broke out between Brazilian President Jair Bolsonaro and Mr. Macron. It came as no surprise that the summit ended as it did: for the first time in the grouping's 44-year old history, there was no joint communiqué.

Murder most foul

India needs a comprehensive law to deal with 'honour killing'

The use of murderous violence in the face of imagined threats to family or community honour is an unfortunate reality in most parts of the country. The term 'honour killing' is being used widely to describe the class of murders that family members commit while seeking to impose on young couples their medieval view that all marriages should be within their community. The Supreme Court, which has been intervening repeatedly to preserve the freedom of marital choice of individuals, once remarked that there is no 'honour' in 'honour killing'. Various judgments have highlighted the need to come down on such crimes, as well as the social structures that keep such a communal outlook alive. The judgment of the Principal Sessions Court, Kottayam, Kerala, awarding life imprisonment to 10 men involved in the abduction and murder of Kevin Joseph, a 23-year-old Dalit Christian, in May 2018, is in line with the apex court's views. The investigation and trial into Kevin's murder have been notably fast. Kevin was abducted by a group led by Shyanu Chacko, the principal accused and brother of Neenu, Kevin's fiancée, just as the young man was making arrangements to have his marriage registered. The court ruled that it was an 'honour killing' based on Neenu's testimony that her family was vehemently against the marriage as Kevin was a Dalit. The police managed to drive home the guilt of the accused by digital and electronic evidence, including records showing mobile phone signal locations and CCTV footage, to confirm the time and the routes through which the accused had taken Kevin before drowning him.

The court rightly chose not to award the death penalty. Instead it handed down two separate life terms, one each for kidnapping with intention to threaten the victim with death, and for murder. Even though there is a Supreme Court judgment allowing trial courts to deem 'honour killings' as those that fall under the 'rarest of rare cases' category, the trial judge chose to take note of the fact that the accused were young and had no previous criminal background. It is disquieting that the 'honour killing' phenomenon persists in highly literate societies too. Discrimination against Dalits is not limited to Hindu communities listed as Scheduled Castes, but extends to those who have converted to other religions too. At a time when caste groups have become politically organised and caste associations attract the young and the educated, there is a need for a redoubled effort to eliminate the evils of a stratified society. In particular, administrators must give full effect to the various preventive, remedial and punitive measures recommended by the Supreme Court. The Centre may also examine the need for a comprehensive law to curb killings in the name of honour and prohibit interference in matrimonial choice of individuals.

Hardly the brick and mortar of a revival

The transfer of the RBI's surplus is only a stopgap measure which will not address the key problem of a lack of demand



JAYATI GHOSH

There is no longer any room for doubt on the parlous state of the Indian economy. The automobile industry, seen as a bellwether of activity in the post-liberalisation years, is in crisis, as automakers, parts manufacturers and dealers have laid off about 350,000 workers since April this year, with more job cuts likely. While this could still reflect falling demand only from higher income groups, recently, Parle Products, once the world's largest selling biscuit brands, announced that it may have to lay off up to 10,000 workers (around a tenth of its workforce). The company blamed falling sales due to the Goods and Services Tax (GST) that led to higher prices of the cheapest small packets of biscuits at a time of extreme price sensitivity because of reduced livelihood, especially among rural consumers.

Home budgets under strain

Sales in the fast-moving consumer goods (FMCG) sector as a whole grew at only 10% in the April-June quarter of this year, less than nominal GDP growth. The slowdown in sales is across food and non-food items, with the biggest reductions in salty snacks and biscuits, spices, soaps and packaged tea. These represent the more discretionary element of consumer spending even among the poor — the items more likely to be cut down when household budgets are under strain.

Economists with the government who finally recognised that there is a problem have blamed the current situation on the "financial stress" inherited from the United Progressive Alliance government more than five years

ago, which is apparently preventing investment because "no one trusts anyone else". But this isolates only one factor in the current slowdown: the undoubted mess in the credit system, reflecting both the overhang of bad debts of banks (worse today than in 2014) and the erosion of non-banks after the collapse of the aggressive lender, Infrastructure Leasing & Financial Services Limited.

This is a factor, but this explanation completely misses the demand side of the story. It is clear beyond doubt now that the slowdown in mass consumption, combined with falling and then subdued rates of investment over several years, have led to what is undeniably a crisis of inadequate effective demand in the economy.

This scenario has been unfolding for a while because of a medium-term trajectory in which the fruits of growth went disproportionately to a small elite of big capital and rich individuals without translating into broader economic improvement. The increasing inequality associated with jobless growth meant that mass consumption demand did not rise as expected with rapid GDP growth.

Impact of demonetisation

The hugely damaging impact of demonetisation in November 2016 was further accentuated by the poor implementation of the GST barely seven months later. These badly managed policy measures served as body blows to informal economic activity, causing major declines in employment and output. At first, they did not affect formal enterprises so much as they gained at the cost of informal ones. But the resulting loss in livelihoods and wage incomes eventually had an effect on demand for formal sector output, which has worsened over time because there have been no counterbalancing moves by the government. Total employment actually declined by more than 15 million workers between 2011-12 and 2017-18, even as



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unemployment rates reached their highest levels in nearly half a century.

This operated in addition to a medium-term trend of wage suppression, something that was even celebrated by the late former Finance Minister Arun Jaitley as a means of combating inflation. Rural wages have been stagnant or declining in the recent period. Meanwhile, the continuing crisis of cultivation has obviously affected the purchasing power of the farming community. Urban wage incomes are also apparently not keeping pace with inflation, even as informal activity and "start-ups" in urban areas have faltered.

The government could have countered this adverse impact of declining employment and consumption demand, which in turn reduced the profit expectations of producers in formal enterprises, by providing a fiscal stimulus. It did not do so. Instead, it kept assuming or hoping that using optical measures — manipulating "Ease of Doing Business" indicators and offering further incentives to foreign capital to attract more inflows, however volatile — would somehow attract investment into the economy that would counteract all the negative impulses.

Private investors simply kept demanding more fiscal and regulatory concessions even as they continued to sit on investment plans as they waited for overall demand improvement. More recent com-

plaints of the private corporate sector have been about oppressive tax collection methods of a government desperate to meet its revenue targets. But these along with the greater difficulties of accessing loans from both banks and non-banks are irritants that would have been tolerated in a buoyant economy. They have become serious issues now because of the wider stagnation.

Supply-side approach

In this context, the Finance Minister's recent announcements of measures to boost the flagging economy are not a case of "too little too late"; rather, they completely miss the point. They do nothing to address the issue of inadequate demand generation or the underlying tendencies of wage suppression and low employment growth. Instead, they once again reveal a supply-side approach to the problem, which is unlikely to yield much benefit.

Even these measures are mostly cosmetic or affect only a small segment of the economy, not enough to cause any real change in economic direction. The capital infusion of ₹70,000 crore into public sector banks had already been announced in the Budget; frontloading this inadequate amount is not going to rev up an economy if those whom banks are willing to lend to are hesitant to invest. Giving into demands of foreign portfolio investors with regard to taxation likewise does nothing to increase domestic demand; it simply provides some solace to the stock market. The middle classes repaying home loans may see a minor benefit if banks actually do pass on lower interest rates, but this too will not provide a major boost to the economy. The decision of the government to buy more cars to shore up the automobile industry is bizarre in the extreme, because it undermines the medium-term strategy of shifting to electric vehicles as soon as possible.

What could the Finance Minister have done instead? If the immediate problem is lack of demand, the immediate response should be to increase it — ideally in ways that provide the desired basis for future economic growth.

Rural focus

Rural distress is real and deeper and greater than the much-hyped distress of angel investors and high net worth individuals; so a massive increase in rural public expenditure, including in the Mahatma Gandhi National Rural Employment Guarantee Scheme to provide public works as well as in social spending would provide immediate relief. The multiplier effects of such spending would generate more employment, incomes, consumption and, therefore, investment over time — as well as more tax revenues for the government. There is also both scope and need for increases in "green" public investment for a sustainable future.

But to seize this crisis as an opportunity for progressive change would require more visionary economic policy making, something that this government has been sadly lacking in.

So does the massive transfer of the Reserve Bank of India's surplus amounting to ₹1.76 lakh crore suggests that this is the government's game plan? Unfortunately, because of the mess in public finances, all that this is likely to do is fill the massive gap left by inadequate tax collection, thereby letting the Finance Minister off in the current fiscal year from another embarrassing situation of budgetary discrepancies. The proposed Budget was not particularly expansionary and did not provide for more spending in the areas required. So this stopgap measure may provide more fiscal space than before, without really addressing the basic problem.

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Kashmir's information vacuum

Legislative backing is being appropriated to normalise communication shutdowns



AAYUSH RATHI & AKRITI BOPANNA

On August 4, around midnight, Jammu and Kashmir was thrust into a near total communication shutdown. In the continuing aftermath of the dilution of Article 370, cable television, cellular services, landline and Internet and even the postal services have been rendered inoperational. Even hospitals and fire stations have not been spared. While law enforcement personnel have been provided satellite phones, locals are having to queue up outside designated government offices and register the numbers they want to call. The blackout is all encompassing.

The erstwhile State of Jammu and Kashmir is accustomed to the flicking on of the "Internet kill-switch", but this indiscriminate embargo is unprecedented. The blocking of multi-point/two-way communication is quite frequent in Kashmir, with close to 55 instances of partial or complete Internet shutdowns being recorded just this year. Of the 347 cases of shutdown that have been imposed in India since 2012, 51% have been in Kashmir. The blocking of one-way communication media, such as cable television, however, is new. Even the measures adopted

during the Kargil war in 1999 stopped short of blocking telephone lines.

Appearing for the incumbent government on a petition challenging the communications shutdown in Kashmir, the Attorney General of India, K.K. Venugopal, made the necessary-for-law-and-order argument.

However, recent research by Jan Ryzdzak looking exclusively at network shutdowns in India has shown no evidence backing this claim. On the contrary, network shutdowns have been shown to compel actors wanting to engage in collective action to substitute non-violent mobilisation for more violent means as the latter requires less coordination.

In dubious company

Network shutdowns have a limited and inconsistent effect on even structured, non-violent protests. Cross-country comparative research indicates that the shutdown of communication for achieving objectives of social control is usually the riposte of authoritarian regimes. The shroud of secrecy it creates allows for further controversial measures to be effected away from public scrutiny. Authoritarian regimes masquerading as liberal democracies are following suit. In 2016, the Turkish government had ordered the shutdown of over 100 media companies in the aftermath of a failed military coup. Earlier this year, Joseph Kabila's government in the Democratic Republic of Congo had shut down Internet and SMS ser-



AFP

vices for three weeks under the pretext of preventing the circulation of fake election results.

Mr. Venugopal further reassured the Supreme Court that the residents of Kashmir would experience the least amount of inconvenience. This line assumes that the primary use of telecommunication networks is for supposedly banal interpersonal interaction. What is forgotten is that these networks function both as an "infrastructure" and as medium of communication. Impacting either function has dire and simultaneous consequences on its use as the other. As an infrastructure, they are akin to a public utility and are foundational to the operation of critical systems such as water supply and finance.

In the Kashmir Valley, over half the business transactions are said to happen online. The payment of wages for the government-run employment guarantee scheme for unskilled manual labour is almost entirely made electronically — 99.56% in Jammu and Kashmir. The reliance on the Internet for bank-related transactions has meant that automated teller ma-

chines and banks are inoperative. What is telling is that the increasing recourse to network shutdowns as a law and order tool in India is also happening simultaneously with the government's digitisation drive. Information flows are being simultaneously facilitated and throttled.

Ambiguous backing

Moreover, communication shutdowns have ambiguous legal backing. One approach imposes them as an order passed under Section 144 of the Code of Criminal Procedure. A colonial relic, Section 144 is frequently used for the imposition of curfew in 'sensitive' areas as a preventive measure against public demonstrations. This approach lacks procedural accountability and transparency. Orders are not mandated to be publicly notified; they do not identify the duration of the lockdown or envision an appeal mechanism.

Perhaps realising these challenges, the Temporary Suspension of Telecom Services (Public Emergency or Public Safety) Rules, 2017, notified under the Telegraph Act, do incorporate a review mechanism. However, reviewing officials do not have the authority to revoke a shutdown order even if it is deemed illegal. The grounds for effectuating any shutdown also have not been elaborated other than for 'public emergency' or 'public safety' — both these terms are undefined. Legislative backing, then, is being appropriated to normalise, not curb, communication shutdowns. Tellingly, the

owner of an Internet service provider in Kashmir pointed out that with Internet shutdowns becoming so common, often the shape that an order takes is of a call from a government official, while the procedural documentation follows much later.

Treated as collateral damage in imposing communication blackouts are the fundamental freedoms of speech and expression, trade, and also of association. The imposition of Section 144 along with the virtual curfew is designed to restrict the freedom to assemble peacefully. Such preemptive measures assume that any assembly will be violent along with negating the potential utility of technological means in maintaining social order (such as responsible digital journalism checking the spread of rumours).

Most critically, this enables a complete information vacuum, the only salve from which is information supplied by the suppressor. Of the days leading up to August 5 and the days since, sparse information is publicly available. Local newspaper outlets in Kashmir are inoperational. This lack of information necessarily precludes effective democratic participation. Beneath the national security sentiments, a key motivation for network shutdown presents itself: that of political censorship through the criminalisation of dissent.

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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.

RBI's autonomy

Despite the protestations of the Finance Minister to the contrary, one cannot but observe a significant erosion in recent times in the autonomy of the Reserve Bank of India (RBI) (Front page, "Questions on RBI's credibility outlandish, says Nirmala", Aug. 23). Two Governors have had to leave the office before the completion of their terms on finding that their views were not to the liking of the mandarins in the Finance Ministry. Among the reasons cited for Urijit Patel's departure was the government's expressed

desire for transfer of a major part of the reserves of the RBI. It is not uncommon to find tensions and dissonance of views between the central bank of a country and those in charge of fiscal policy. However, in normal circumstances, these are resolved and not allowed to spill out in the public.

M.P. MURALIDHARAN,
Bengaluru

The wealth creators

The Finance Minister last week said the government 'respects' the 'wealth creators'. It is said that more than 50% of

contribution to India's GDP comes from workers in the unorganised sector, who form around 93% of the country's workforce. Being the real 'wealth creators', they deserve to be provided at least a minimum social security package. Many of them live in slums and platforms and are deprived of access to good education or health care. They are the people who infuse life into the market by spending the little they earn and they are the people who vote with the lofty hopes of seeing some light at the end of the tunnel. The Finance Minister should consider

the woes of these wealth creators on priority.
A.G. RAJMOHAN,
Anantapur, Andhra Pradesh

Clean cooking

Many Indian men living in rural areas maintain primitive attitudes when it comes to clean cooking methods (OpEd, "Cooking with gas, not wood", Aug. 28). The gender dynamics prevalent in patriarchal rural families is evident from the article. The household patriarch, who holds the family's purse strings, exercises control over women by relegating them to smoke-filled

kitchens. Rural women need to be sensitised to the politics behind such deprivation. In reality, the gas stove has been a life-altering appliance that has averted deaths caused by asphyxiation and asthma due to smoke emitted from solid fuels. Making cylinders available to rural women at subsidised rates is surely a positive step.

VARSHA V. SHENOY,
Mangaluru

Bypassing Constitution

Jawaharlal Nehru said that Universal adult suffrage is not an experiment but the fulfilment of a promise.

This assumes relevance in the context of Article 370's dilution, at a time when Jammu and Kashmir had not elected Assembly and the wishes of Kashmiris to exercise their franchise had not been fulfilled. The special status guaranteed to the erstwhile State was an integral part of our Constitution. The Centre may proclaim that it has done a 'constitutional bypass' but it has actually 'bypassed the Constitution'.

N.G.R. PRASAD

RAM SIDDHARTHA,
Chennai

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