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BOOK REVIEW

A chilling story of doom

M. K. Bhadrakumar

THAT USED TO BE US — What Went Wrong with America and How It Can Come Back: Thomas L. Friedman, Michael Mandelbaum; Little Brown; distributed by Hachette India, 612-614, Time Tower, M.G. Road, Sector 28, Gurgaon - 122001. Rs. 599

Where the authors score is in their ill-defined optimism that America will rebound through “collective action”

If you are into the habit of reading two non-fiction books at a time, the best way to read this book by Thomas Friedman and Michael Mandelbaum would be to read it alongside Bill Clinton's latest slim volume *Back to Work*. Both are manifestations of the American Dream, which entitles them to an extraordinary degree of optimism about life and the human condition. And they share a terrifying optimism in the “America we could be ... an America we once were ... an America we can be again.” Both are pained by the sight of America and are groping for the big thoughts needed to stave off the crisis from turning terminal.

Prescription

However, Clinton's book is a compendium of 45 proposals to restore the United States' economy and “get back in the future business.” It's an ode to big government (just about everything Clinton rejected as a New Democrat in the White House) and, thus, it remains a politician's manual. But it makes you understand that the magic wand prescription Friedman and Mandelbaum offer for America's problems will be hard to comply with, because a problem that is impossible to fix is the political class.

Friedman is the grandmaster of popular literature. His bestsellers, *The World Is Flat and Hot, Flat and Crowded*, were unputdownables, breezy in style, rich in metaphors and slang and clichés. In comparison, *That Used to be US* is distinctly subdued and Friedman no more pelts us with clumps of words the way he used to do until recently. He and Mandelbaum give a chilling story of the doom of a great power. Their forensic look takes us through a parched landscape of bleached bones and carcasses — snarlingly dysfunctional government and the resultant gridlock (political class of feeble leaders incapable of taking deep and painful initiatives); heedless spending; abysmal levels of ignorance; economy falling behind in innovation and chronically dependent on deficit funding from abroad; failing public education system; and what not.

Of course, the story of the decline of America has been told and retold ever since Paul Kennedy's fateful prediction as the curtain was coming down on the Cold War. But where the authors score is in their ill-defined optimism that America will rebound through “collective action.” There can be no quarrel with their identification of the four major challenges America faces — America's response to globalisation; the IT revolution; climate change (excessive reliance on oil); and chronic indebtedness.

The problem lies with their prescriptions, which are largely naïve. Do they grasp the magnitude of the problem? They propose giving a bizarre “shock to the system” by supporting a new third-party movement in the next Presidential election in 2012. But Ralph Nader was meant to be doing precisely that and it ended up ensuring the victory of George W. Bush.

The authors are spot on when they say that most Americans are outside the political system and the nation, therefore, no longer feels inspired to recapture the spirit of the New Deal. The big question is how to make their voices heard so that they could be inspired to work together, making tough sacrifices for a common destiny.

Sputnik moment

The book, therefore, ends up as an elusive search for the “Sputnik moment” that America should seize — as it did when it once raced the Soviet Union in space — in order to win the race with the emerging powers of Asia. If the search is elusive, it is primarily due to the authors' exceptionalism that America is destined to lead the world. Indeed, all imperial powers in history — Portugal, Spain, France, and Britain among the Europeans — fancied that they were immune from decline and the vicissitudes of history. The illusion takes time to dissipate.

“We”, say the authors, “don't want simply to restore American solvency. We want to maintain American greatness.” But the world is not standing still and America's loss of economic primacy is also, paradoxically, the logic of globalisation. A system that was created over two centuries ago in vastly different circumstances has become divided, unworkable, and cannot cope with the world of today. It is not merely a matter of “retooling” America. The paralysing divisions of the political system block any radical agenda.

For the Indian pundit, the book will be an expressionist quest play that brings out into his calm, cold reading room the scarifying and ubiquitous protagonist — China. The authors beat the tom-tom as relentlessly as in a Eugene O'Neill play — stripping away colourful costume to the naked man beneath. Japan doesn't get a mention in their 380-page volume. What a muted reminder of America's real priorities in the Asia-Pacific, which the Obama administration factors in as the “strategic pivot” of U.S. foreign policy in the 21st century!

ECONOMIC DEVELOPMENT

Govt readies for big next generation reforms push




Email Author

In a bid to counter perceptions of policy paralysis, governance deficit and political drift, the UPA government is poised to introduce a slew of long-pending second-generation economic reforms — including allowing foreign direct investment (FDI) in multi-brand retail and permitting foreign airlines to invest in domestic aviation companies — over the coming weeks and months.

These legislative and executive measures are expected to put the economy back on a strong growth trajectory, create millions of new jobs and protect the country from the economic contagion currently sweeping across Europe, North America and some other parts of the world.

The finance ministry has cleared a proposal to allow up to 51% FDI in multi-brand retail, but with a few conditions. This means you may, in the foreseeable

COMING SOON, A HOST OF POLICY CHANGES		
POLICY	STATUS	WHAT'S IN IT FOR YOU
FDI in multi-brand retail	51% in FDI proposed, with conditions; decision in next few weeks	Entry of international supermarkets like Wal-Mart, Tesco, Carrefour which give deep discounts
Foreign airlines to invest in civil aviation	Industry ministry wants 26% cap, aviation ministry wants 24%. Decision in next fortnight	Money for loss-making airlines that are cancelling flights for lack of funds. Financially stable airlines will mean fewer such hiccups
FDI in pension sector	Cabinet approved 26% FDI in the sector, amended bill coming in winter session	Millions of Indians working in private sector can now have pensions, with returns ranging from 25% (high risk) to low returns (zero risk)
Comprehensive national manufacturing policy (NMP)	Cabinet approved NMP to create mega industrial cities	Jobs and more jobs — up to 100 million in next 15 years
Companies bill to overhaul corporate governance	Bill, with changes suggested by parliamentary panel, likely to be passed in winter session	Among other things, grant shareholders greater powers to defend their rights
Wide-ranging national telecom policy (NTP)	Draft NTP unveiled last month. Final policy likely to be implemented by year-end	No roaming bills, will clean up scandal-hit spectrum allocation

 <p>"These moves (FDI in pension, multi-brand retail and aviation) will send the right signals to investors." Ashok Hinduja, executive chairman, Hinduja Ventures</p>	 <p>"It (FDI in multi-brand retail) is win-win for all — suppliers, retailers and consumers. Small stores can co-exist with large ones." Kishore Biyani, chairman, Future Group (Big Bazaar)</p>	 <p>"This is going to hurt small retailers badly. Many of them will be forced to shut down." Praveen Khandelwal, secretary general, Confederation of All India Traders</p>
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future, be able to walk into a supermarket run by global retail giants like Walmart, Tesco and Carrefour in your neighbourhood.

The government has also decided to allow foreign airlines to buy up to 24% stakes in India's domestic carriers—a move that will bring cheer, and, more importantly cash, to the loss-making debt-ridden airlines.

The cabinet committee on economic affairs, headed by Prime Minister Manmohan Singh, will take up the matters of FDI in retail and aviation in the next few weeks after which the policy is likely to be formally notified, a source, who did not wish to be identified, said.

Then, on Wednesday, the government announced that it would allow FDI of up to 26% in pension funds and also set up of a pension regulator. Earlier, India's wealthiest man and Reliance Industries chairman Mukesh Ambani joined a growing chorus of experts urging the government to push through policy reforms in critical areas at a pace that matched people's growing aspirations.

Ambani's comments came weeks after group of 14 eminent citizens, corporate captains and policy analysts wrote their second "open letter" asking the government to speed up reforms and enact strong lokpal bill to bridge 'governance deficit'.

"There are many measures which the Cabinet can take and that do not require Parliamentary approval. These moves (FDI in pension, retail and aviation) will send out the right signals to investors," Ashok Hinduja, chairman of Hinduja Group told HT.

But politics, as usual, may stymie the government's plans.

The BJP and small domestic traders feel that giant MNC retailers would put the livelihood of neighbourhood mom-and-pop kirana stores and street vendors at risk.

"We have been against this and will continue to oppose it," former finance minister and BJP leader Yashwant Sinha said. "This is going to hurt small retailers badly. Many of them will be forced to shut down shops," said Praveen Khandelwal, secretary general of Confederation of All India Traders.

But industry leaders welcomed the move. "It (FDI in multi-brand retail) is a win-win situation for all-suppliers, retailers and consumers. Small kirana stores can co-exist with large stores," Kishore Biyani, chairman of Future Group, which runs the Big Bazaar chain of stores, told **HT**.

Left parties termed the moves to open up India's pension, retail and aviation sector to foreign investors as "neo-liberal" and said they would impact the livelihood millions of small traders.

Strengthening the manufacturing sector

Prasenjit Chowdhury

For India to become a solid manufacturing hub, we need land for industrial development.

Consider the stakes. India, the second largest populous country and the fourth largest economy that accounts for 4.6 percent of the world's gross domestic product, had manufacturing registering only 16 per cent share of its GDP since the 1980s.

Nothing could be more expedient than a national manufacturing policy (NMP) – approved recently by the Union cabinet – that targets hiking up the share to 25 per cent by 2022, hoping to build national investment and manufacturing zones (NIMZ) with state-of-the-art facilities. The bottomline would surely be the generation of 100 million jobs over 10 years. India is now one of the top 10 industrial nations of the world with a 1.5 per cent share in manufacturing value added (MVA), according to the International Yearbook of Industrial Statistics 2011 report.

Ironically, in 2007, India's exports were only 1 per cent of the world's total despite its low labour costs and large population. With the US, Japan and China occupying the top three slots, India ranks 12th (according to Global Insight and the 'Financial Times') in the pecking order of manufacturing nations. That manufacturing – rightly considered as the main engine for economic growth and creation of wealth – suffered attention deficit for so long could both be an outcome of misplaced focus and systemic failure. It is more evident from that we lack reliable data on India's formal or "organised" sectors, and even less about the informal economic sectors in which most Indians work,

making economic planning and analysis by both government and industry fuzzy.

Wooing investors

The ambitious \$90 billion Delhi-Mumbai industrial corridor (DMIC) that envisages setting up seven new investment regions across six states, Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Haryana, and Uttar Pradesh, must try to steer clear of the old demons that haunted the entire debate on special economic zones (SEZs) – issues of land acquisition, industrial relations, environmental clearances.

For India, to become a solid manufacturing hub we need land for industrial development. We need good quality infrastructure to woo investors from private sectors. The problem is both the SEZs and NIMZs are meant to be propped up as pampered areas of nurtured export and industrial expansion, leaving a vast tract in a pool of backwardness which can breed great social conflict.

Compared to the voluminous manufactured exports from China – the pinch of which is felt from toy market to the electronic goods market – India still lags way behind. It is difficult to replicate the Chinese model of economic growth in India simply because systems of governance vary in two countries. It is open to debate however, whether India runs the risk of faltering on policy implementation perhaps because of democracy or despite it.

China's manufacturing success – six times larger than India's – was backed by a rapid lurch, among other things, towards capital-intensive and high-technology industries – rendering its goods cheaper and most competitive globally.

We have draconian laws, wobbly infrastructure facilities, land acquisition controversies and regulatory hurdles standing in the way. A cynical view is that in India, a manufacturing unit has to comply with as

many as 70 laws and file something like 100 returns every year. Foot-dragging over much-hyped legislative actions such as the introduction of a Direct Tax Code and a pan-India Goods and Services Tax is an instance to put off the investors. But India can hope to be leveraged in cheaper workforce advantage by its average age – 25 years – of its population compared to China’s average age of 35 years, due to China’s one-child policy in place, which put in terms of competitive pricing can help India edge past China.

But when we talk about workforce, we must bear in mind that 75 per cent of India's working population is educated only to middle school or below which boils down to the fact that approximately 600 million people are not even equipped to benefit from the opportunities in the flourishing knowledge sector.

The reason is that the growth of service industries in India lies in low-volume areas, and to a major extent in capital and skill-intensive manufacturing, employment in which is the preserve of a university or institution graduate. The manufacturing sector, which accounts for 80 per cent of India’s industrial output, has also the highest weightage in the Index of Industrial Production (IIP). But the elitist bias of the manufacturing sector – emphasis on IT education in preference to tertiary education and low percentage of people aged between 15 and 35 years gaining access to vocational education and training (VET) programmes – would leave out a vast labour pool outside the loop of employment for the manufacturing sector.

In view of the sharp fall of India’s industrial output, perhaps the job at hand is to tide over the government’s slothful approach towards economic reforms – seized as it is with a kind of policy paralysis and ridden by scandals – that might derail the Indian growth story. A dreamy-eyed policy, otherwise, may well turn out to be a pipe dream.

POLICE

Time to reinvent the police

Rohit Choudhary

A reinvention of the Police Department would mean a transformation from being a traditional militaristic bureaucracy to an effective and efficient organisation that habitually innovates and continually improves the quality of service without having to be pushed from outside. It is about creating a "self-renewing system", something diametrically opposite to a stagnant department that the police has remained for over a century.

The Police Act, 1861, with which the story of present-day policing began, was modelled on the Irish police rather than the British, and was a major step in streamlining police organisations and their activities. The key difference between the British and Irish policing was that while there was a deliberate and sustained attempt to establish the legitimacy of the police in England by depoliticising the nature of policing, the police in Ireland was meant to deal with people hostile to colonial rule.

At the time of Independence in 1947, large-scale violence broke out, leaving no time for required reforms to transform policing in India, although there was a historic opportunity to do so. The only sign of change was the replacement of British officers with Indian officers at the top. The report of the Indian Police Commission, 1902-3, is a testimony to the fact that even today the police in India faces similar criticism that it faced a hundred years ago, of inefficient operation, poor leadership, rampant corruption and brutality, and incompetent investigation and prosecution of crime.

Emerging trends

In addition, the emerging trends of crime, Naxalism, terrorism, an increasing number of social legislation, easy access to means of transport and sophisticated communication with criminals, social upheaval resulting from rising aspirations of not only a large number of unemployed youth, farmers and labourers but also of a growing middle class have set the alarm bells ringing.

Also, there is a growing expectation and acceptance of the principle that the police derives its power from people and must be held accountable to them. In times to come the police is no longer to derive its authority solely from its relationship to the competent authority and work in vertical orientation but also from the competencies that it develops in the course of its direct contact with people they serve, which means also working in a horizontal orientation.

According to one study, there is a relationship between investment confidence and security and crime, the difference between developing economies that observe the rule of law and economies that do not is a more than 3 per cent growth in GDP. Realising the need for an environment of rule of law as an essentiality for economic growth as China opens up the country and introduces the policy of economic modernisation, the government has also implemented a comprehensive legal system to shift from a system of "rule by man" to "rule by law."

Changes in the private sector have also taken their toll on the traditional bureaucracy. Information technology has changed the private sector so much that experiences of citizens in the private sector and the public sector are becoming increasingly divergent. In turn, bureaucracies around the world are gearing up by adopting "New Public Management" to become citizen responsive and result-oriented.

Out of sync with times

Not surprisingly, the police departments in India governed by old rules and procedures find themselves out of sync with the times. The police

today in an increasingly globalised world has to face the requirement of empowerment, partnerships, learning, standardisation, ethics, transparency, accountability, diversity and urgency. As a starting point, the police has to acknowledge and accept the shift, and embrace the unique configuration of several reinforcing strategies in order to present itself as a premier organisation in line with the emerging world dynamics.

Policemen and employees in the department are the most important players in the reinvention efforts. Only an empowered police officer on the street can be truly responsive, capable, committed and motivated to meet the demands of policing today. Steps required for empowering the policemen are: eliminating layers of middle-level officers that perform the same function, shift of control from top officers at the headquarters to districts and from districts further to the police stations in the field, and participatory management wherein suggestions from the field officers find a place in the organisational decision-making in an institutionalised manner.

Empowerment without any sense of direction can lead to anarchy. While policemen want the freedom of empowerment, they as much need the sense of direction which can only be provided by creating a strategic intent of the department. The strategic intent should make police officers understand the linkage between his or her job and the attainment of the organisational goal. Further, the appraisal system should be used as an aid for organisation and employee development rather than merely being used as a tool for disciplining the employees.

A vision once created, the leadership in the police then has to become the biggest living example of this vision through actions, emphasising the vision time and again to the front-line policemen. Authentic servant leadership, practising management by walking around to be in touch with the public and policemen both, can act as a centre of gravity in developing a culture of integrity in the police department. Such a

leadership empathising with the poorest and the disadvantaged section of society would be ideally suited for the police departments to produce extraordinary results.

Community empowerment

From employee empowerment, the next step forward is community empowerment, complimented with the police department's accountability for results. The police must understand the makeup of communities as well as the needs and expectations that citizens have of their police services. Once the needs of customers are identified, policing activities should be oriented towards meeting these needs. It is being appreciated, though implemented incrementally, that in order to give a better service, the police has to address problems confronting society with public help. The identification of public needs would have to be supplemented with community empowerment which transfers control to the people. This can be achieved through community policing, governance bodies, collaborative planning, partnerships, community-based compliance and result-based management. The culture of improving service quality, integrity, preventing crime and building strong relations with the community can be developed through the implementation of a culture strategy for the department.

An important yet neglected area for policemen is the skills of quality police-citizen interaction. Police Departments must set service standards for their organisation that clearly define the quality and level of service they are committed to delivering to their customers. Each and every kind of contact is equally important as every contact is an opportunity for shaping favorable public opinion.

The standards that the police needs to set are both in the area of internal processes as well as public interaction. The quality of service commitment is to ensure that victims, witnesses, suspects and the general public - all clients -- should receive a high quality of service when dealing with the police. To supplement the creation of customer

service standards the department should also provide for guarantees, complaint systems and means of redress and create institutionalised arrangements to hold the Police Department accountable for meeting the quality.

The speed and responsiveness are critical to police service as the job involves responding to emergencies and attending to the distressed on many occasions. It is also essential to have a good service recovery, to undo any wrong done as quickly as possible. Developing horizontal linkages within different units of the department, standard operating procedures for routine policing activities, encouraging suggestions from the public and effectively using technological advancements, while creating a sense of urgency in the staff can bring the desired pace in the services that the police offers. Streamlining cross-agency processes is the next great frontier for reducing costs, enhancing quality and speeding operations involving various agencies like the judiciary, the prosecution department, magistracy, the army and jail administration.

Police regulation

Politicians are the most influential stakeholders and it is imperative to enlist their support and whole-hearted cooperation in the initiative to reinvent the police. A well developed vision, working in partnership, briefing and sharing the credit can be the key to a successful relationship between the police and politicians. Police policy making should be an open process in which all the stakeholders work together to determine the priorities, philosophy and special concerns.

The September 22, 2006, Supreme Court order for setting up of a regulatory mechanism — state security commissions, police boards and authorities — is to ensure political neutrality and autonomy of the police by reforming the institutional system of the Indian police. The police administrators have the responsibility of providing an inspiring leadership to improve the quality of service and to solve community problems of concern. Also, it is important that the police itself makes

sincere efforts and show genuine determination for reform as merely structural changes for ensuring political neutrality cannot guarantee that it will happen.

Around the world the important developments in policing in the 1990s include the dismantling of the old, strict bureaucratic order and bringing in more professionalism and accountability for result-oriented functioning, efficiency and responsiveness in the police. The Indian police has remained indifferent to the worldwide trend towards a "new police order", even though in India other institutions and the economy have been rapidly integrating with the world system.

The reinvention of the Police Departments in India is an idea for which the time has come. For the police in India it is time now to embark on an internal reform initiative, as tomorrow there may be no choice except for being driven by changes imposed from outside. The approach to reinvention has to be realistic, continuous small steps towards evolution rather than big revolutionary reforms.

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He is also the author of "Policing: Reinvention Strategies in a
Marketing Framework"*

POLITICS AND GOVERNMENT

Projecting rahul gandhi as prime minister

The curious gamble

M J Akbar

There is one question within the complicated Uttar Pradesh conundrum that has left me completely bewildered.

Why on earth has Rahul Gandhi made the results of its assembly polls next year such a prestige issue – his own prestige, not his party's? Why has he staked his personal reputation on UP, and then multiplied the stakes, when he has no real reason to gamble his own future on the vagaries of Awadh?

The Congress party makes no demands on him. It will anoint him prime minister the day he chooses to shift from waiting room into head office. The job comes to him by genetic entitlement, not electoral endorsement. Rahul Gandhi led his party's campaign in Bihar, only to be drowned by the Nitish Kumar-BJP deluge. Did this diminish his claim on the prime ministership? No. Supposing the results of UP are equally dispiriting.

Will that end the constant chirrup by acolytes for his elevation? No. Competence is not the primary measure in current Congress mathematics. Family is. If Pranab Mukherjee had the right genes he would have been prime minister, and in the mould of the person he admires most in recent Indian history, Indira Gandhi. But he does not have the genes. And that is that.

When the electorate gets its chance to evaluate a prime minister, Rahul Gandhi, it will not do so on the basis of how many votes he gets in Mayawati's UP. It will take a call on how he manages the crises that he

will inherit, and there will be enough of them in 2012.

Jawaharlal Nehru is the only Congress prime minister who was battle-tested at the hustings before being sworn in – the general elections of 1937 and 1946; the first was an incomplete victory and the second a bitter triumph. Lal Bahadur Shastri had no track record when he became prime minister in June 1964.

Neither did Indira Gandhi when she succeeded him in January 1966. Indira Gandhi failed miserably in her first electoral test. The Congress lost every state between Amritsar and Calcutta in 1967. Rajiv Gandhi was totally untested when he became prime minister in October 1984. His landslide two months later owed more to his mother's martyrdom than to any promise he exuded. P V Narasimha Rao never won anything, either in 1991, an election he did not contest, or 1996, when he contested with awful consequences. Manmohan Singh was not made prime minister because he could set fire to a crowd with his oratory.

Radically different

What will a few seats more or less in UP prove? The dynamics of a general election are radically different from those of a provincial poll. Mayawati won a splendid victory in 2007, and slipped behind the Congress in 2009. The Congress got fewer assembly seats in 2007 than it got parliament seats in 2009. The battle of 2012 will be determined by factors completely different from 2007. The Congress lost the state of UP in 1989, and still has not discovered how it has slipped from its once-formidable grip. Delhi is closer to Congress than Lucknow.

Rahul Gandhi has thrown expensive specialists into a war room to plan out minute strategy; demographic experts have become flush with funds. The investment is personal; he is the general of this campaign. In another context, the UP election of 2012 could have become a legitimate bid for Congress rule in Lucknow. But oddly, his advisers like the general secretary in charge of UP, Digvijay Singh, are letting it be

known that they will view a mere 60 seats out of 403 as “victory”. This is terrifyingly naïve.

There is only one reason for such discordant UP hype: to create a Rahul “bounce” that will serve as ballast for entry into the primeminister’s office. But Rahul Gandhi does not need any artificial boost. Manmohan Singh has said repeatedly that the door is open for him to enter on any day he wishes. Are the allies who keep Congress in power waiting anxiously for the UP results to find out whether they can entrust their fortunes to a youngish heir? No. Sharad Pawar and Karunanidhi are too vulnerable to risk a mid-term poll. They will swallow their reservations and join the chorus.

There is no objective reason; but there could be a subjective one. Is this anxiety for success a sign of Rahul Gandhi’s own insecurity, a gnawing desire to prove to himself and the political class that he has come of age, and that he no longer needs his father’s memory or his mother’s shadow?

Doubt is a familiar component of his age group, particularly if there is no professional success on the CV. But he has advisers whose job is to chart the safest way forward rather than feed into their leader’s doubts with meaningless risk.

If things go right Rahul Gandhi will get what was already his designated due. If they go wrong he could be left holding, as that acerbic simile puts it, the dirty end of a burnt matchstick.

SOCIAL POLICY

Barefoot - An unfinished agenda

Harsh Mander

We have five million children in the labour market, say official figures. Their actual numbers may be four times as many. As a nation, we have failed each one of them...

Millions of our children still labour today, in factories, farms, kilns, mines, homes and city waste dumps, when they should be in school or in a playground. We profoundly fail these children, collectively depriving them of education, play, rest, healthy growth and childhood. Despite democracy and glittering economic growth, it is unconscionable that we continue to tolerate child work, socially and legally.

The law in India treats much of child labour as legally permissible. For children up to 14 years, only a small set of vocations designated 'hazardous' are prohibited. Only in 2006 was employing children as domestic help declared illegal, and just five years earlier, rag-picking was prohibited among children. There are weak penalties and few prosecutions, barely a few thousand in the whole country every year. There is no prohibition of any kind of work for children who cross the age of 14 years.

Astounding numbers

Latest official estimates report around five million children economically active in the labour market, which is two per cent of the total child population of India in the age group 5–14 years. Child rights activists, however, argue that the actual numbers of child workers are much larger, because children not in school are hidden child workers, rearing younger siblings, tending the home, or helping parents earn in

the fields, home-based work or vending. Their numbers are four times as many as enumerated child workers.

There are encouraging reports of growing numbers of children in school, and declining child workers during the last decade. But we need to view these figures with caution, because there is growing evidence of the informalisation of the work force with rapid economic growth. Work is often sub-contracted to home-based workers by big companies to evade labour protection regulations and responsibilities, and work is transferred also to the children working from home; as a consequence, children may be inducted into labour sometimes as early as five or six years of age. Such child labour is often invisible to the census enumerator.

Legislation has been unsuccessful in stopping child labour, even in hazardous industries. A third of all acknowledged child workers are found to be in hazardous occupations. About 53 per cent of the total number of children working in hazardous occupations is employed in the pan, bidi, and cigarette industry, in construction, and as domestic help. Seventy-two per cent recorded child workers are in agriculture and constitute almost nine per cent of all agricultural workers. These children work long hours on farms and face the harmful effects of inhaling pesticides and other chemicals. Many girls are subject to hazards of physical and sexual abuse even at a young age of 10 or 12 years at work.

The official tolerance of child labour is grounded in the belief that child labour is an inevitable product of poverty. An official committee in 1981, headed by Gurupadaswamy, declared that 'as long as poverty continued, it would be difficult to totally eliminate child labour and hence, any attempt to abolish it through legal recourse would not be a practical proposition'. This 'pragmatism' continues to dominate government's stand on working children.

Poverty and child labour

There remains a live and important debate about whether poverty causes child labour, or is it also the other way round. Many poverty experts argue that for poor families, sending children out to work is the only way they can survive. Many children are also engaged in unpaid household work and as a result cannot go to school: on farms, taking care of cattle, cleaning and cooking, fetching water and fuel and caring for their younger siblings. Just providing full day child-care would result in the majority of older siblings entering school for the first time. Children also drop out and work instead because schools in many states are in bad shape. Children feel demoralised and learn little in these schools, and over time refuse to attend school. If laws guaranteeing minimum wages are enforced, with greater employment security for parents, child labour would decline and cease.

Many child rights activists, on the other hand, maintain that the only chance for a child to escape the poverty of her parents is to go to school. This alone opens new avenues for a child to advance economically and socially when she grows to adulthood. Child labour causes significant life-long and irreversible psychological and physiological damage. Since children's bodies, minds and judgment are still developing, even up to their late teens, entering the world of work at a young age causes early ageing, low energy, stunted and wasted growth, occupational diseases, the crushing of spirit, and the permanent loss of the joys of carefree childhood.

‘All contemporary experience has shown that when children are withdrawn from work and sent to schools, wages for adults, both male and female work goes up substantially’, Shantha Sinha, who successfully led a movement to pull 50,000 child labourers out of work and into regular school, passionately argues. ‘One of the reasons for low adult wages is because child labour is rampant, especially in the informal sector. Child labour depresses adult wages. In most countries, early child-care got strengthened and institutionalised when girls were no longer available for domestic work. In a child rights perspective,

children's rights must come first, and every right attained for children has profound economic, social and even cultural impacts on the larger economy and society'.

It is true that children work because of a variety of State failures — such as to combat poverty, to implement the rights of unorganised workers, to provide social protection, to provide day child-care services, and to provide quality and relevant education in schools. But this does not justify the legalisation of child work. The State would need to take a holistic approach in eliminating child labour: enforcing legal prohibitions are imperative but admittedly not enough. Governments would need to ensure quality, relevant and non-discriminatory education, enforce labour laws, provide child-care services and social protection, and above all, battle poverty in the household to which the child belongs.

Some government officials justify child labour because this gives the country a comparative advantage in trade and exports, because of the lower prices and alleged efficiencies of employing children (the 'nimble fingers' theory). Even these alleged economic advantages are contested. But even if there are growth dividends, there can be no ethical justification to argue that we will continue to engage children in work which damages them physically, psychologically and deprives them of their future prospects of breaking out of poverty through mainstream education, for the sake of boosting economic growth.

Not enough

Existing penalties for employing prohibited child labour is not deterrent: imprisonment for three months to two years and a fine between 10 and 20,000 rupees is a mere rap on the knuckles. These offences should be cognisable and non-bailable, with much more stringent punishments. But it is wrong to penalise or criminalise parents in any way for dealing with their difficult situations and sending their children to work. The

penal provisions of the law should target only employers, and impose legal duties on governments.

Much greater sensitivity is also required in planning the rehabilitation of released child workers. Governments need to do more by way of creating mass awareness and influencing consumers. There could be campaigns to discourage people from buying products that use child labour, for instance, through certified declarations and labels. School children themselves would be most effective in a campaign against child labour, including as domestic help and in eateries.

The debate on child labour should have been settled with the Constitutional amendment recognising the right to education as a fundamental right of all children. If the law demands that a child must be in a mainstream school, she cannot simultaneously be at work. There need be no bar on children helping their families after school hours and in vacations, in fields, home-based work, forest gathering and vending, but none of this can be at the expense of schooling and the protection of the child.

Today, despite the legal right to education, many children who are the most vulnerable remain unreached by State efforts. These include children of migrant labour, children subjected to bondage and trafficking, and street children and child workers. To ensure their right to education and childhood remains a paramount unfinished agenda for freedom.

TECHNOLOGY

It's open season

Eric Schmidt

It's a common mistake to assume that if you want to innovate, then you need technology. In fact, it's exactly the other way round. When you look at the world-changing innovations through history you find that technology wasn't the primary cause of innovation. Whether it was the first ballistic missile in India, the first sundial in Korea, the first printing press in China, right up to the Walkman in Japan, the technology was the consequence, not the cause. People were able to arrive at those inventions with an atmosphere of openness, being open to new ideas, open across boundaries and open to collaboration.

It's hard to define openness. It's easier to demonstrate that whenever you try to embrace whatever you think it is, you come out ahead. Let me start with what it means to be open to collaboration. When people ask me what my favorite Google product is, it's not Gmail or Maps or YouTube. It's Google, the company.

For the last decade, my number one priority was to help build a community of amazing people who will endure long after I'm gone, and all our current products have been replaced by the next wave of innovation. This kind of community, where all rewards, challenges and responsibilities are shared, allows us to dream big things, then achieve them.

The Internet expands this concept of community beyond the confines of a company, or the borders of a country and to the world. Android is a perfect example. It is the software platform for smartphones found on over 190 million different mobile devices today. It is open source —

which means that other people can take our code, modify it and ship it in product forms that we never imagined. This is exactly what companies like Samsung, LG, Sony Ericsson and HTC do.

And because of this, there are more options for developers and consumers. A global community of app developers and entrepreneurs have produced over 500,000 apps and grown into an industry. In this case, our desire to collaborate within Google has, over time, made us collaborators with every developer of Android across the world.

Let me give another example of how being open to collaboration can make a big difference. A few years ago, our engineers in India who were growing frustrated by how much of their country was literally off the map released a tool that allowed people to build digital maps collaboratively, using satellite photos.

The response has been phenomenal. Volunteers are at work improving the maps of 180 maps on our MapMaker tool. In Pakistan alone, users have marked 25,000 kms of previously uncharted roads. We need to enable the building of these kinds of communities in society, not just at a corporate level. We need to allow people to come together so they can learn, collaborate and innovate in a decentralised manner.

That means that we also need to be open to the world. Thanks to the web, there is no limit to ambition. Geographical borders don't have digital equivalents. So there is no such thing as a local business anymore. Your market, your customers, your partners, your suppliers are all global.

But are you? In this century, the world is going to keep on getting smaller. We're seeing the rise of new economic powers throughout Asia, as well as Brazil, Russia and West Asia. And we're seeing the birth of a global middle-class which will have huge spending power. The Internet will clearly be the best way to engage this new world. We know 3 billion more people will come online by the end of the decade, mostly in

emerging economies. In 2011, any kind of business can tap that opportunity.

And that's true of a florist in Indonesia. About two years ago, Ade Liska set up Butikbunga.com to sell flowers online, presenting a flower shop's bouquets online and offering to deliver them to people who could pay via BCA. To her surprise, about 15% of her orders came from abroad. Some people across the border just wanted to have Indonesian flowers to give to friends.

That's one small example of how any new idea now takes place in a global context, thanks to the Internet. Across Asia, millions from all walks of life are demonstrating that as they turn to the Internet as a platform for opportunity and prosperity — and to advance billions of new ideas of their own. They are shopkeepers, manufacturers, artists. And they're finding ways to reach new markets, in new ways and with new partners.

Some are intimidated by the consequences of this openness, especially as the Internet disrupts some industries. But the benefits are astonishing. When you go beyond anecdotes and into hard numbers, you see that borne out by economic reports coming out this year. In Australia, the Internet contributes 3.6% of GDP, more than its iron-ore exports. In Japan, it contributes 3.7%, more than the auto-manufacturing industry. And every business is benefiting from the Internet's growth. McKinsey estimated that for every job lost due to the Internet, 2.6 more were created. But those numbers only apply to the completely open Internet that we know today.

It's not guaranteed that it will stay that way. Every business is an Internet business. And the way to maximise the Internet's economic benefits is to keep it open. Without openness, consumers lose the beauty of choice, companies get complacent, societies lose the dynamics that lead to innovation.

India is blessed with an amazingly talented and creative population, and many brilliant developers, businesses and entrepreneurs. It's important that businesses and politicians keep up with the imagination of India that will allow all of us to benefit.

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The views expressed by the author are personal