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# **AGRICULTURE**

## FARMING DYING AS A WAY OF LIFE

Satvinder Kaur Mann

**The sustainability of rural livelihood as a way of life, social ethos and culture are at stake in Punjab, making the current rural and agricultural scenario worrisome**

THE oldest and largest human enterprise, agriculture in Punjab was once a family affair wherein all members remained involved, employed the local labour and a network of services within and adjoining villages thrived along. In addition every household in the village had creative past times like spinning, weaving and making handicrafts. Young girls, women and even men remained busy, when not tending to the fields. Eighty-five per cent of the population was thus fruitfully engaged.



**Skills are the attributes that strengthen the fibre of a human being, encourage self-help, empower and give confidence to shape a better future for themselves**

But the rural landscape of Punjab began to change when in the sixties new agricultural production technology, involving input-intensive practices on the pattern of the US were introduced to meet the food grain requirements of the nation. The minimum support price (MSP) and an assured market and other supporting services set in the race for increasing area under food grains. Punjab was happy basking in the glory of being the number one producer, the highest contributor to the national food grain pool and being the food basket of India. However, the glow of prosperity for the small and marginal faded soon. By the end

of the seventies the economic gains started declining and this cereal monoculture became unremunerative and environmentally unsustainable. By 1971, seventy-seven per cent small and marginal farmers, who had formed the backbone of the Green Revolution and agrarian society, were hit the hardest.

## **IMPACT OF MARKETS**

This scenario kept aggravating with accelerated technological developments, the increasing impact of knowledge and opening up of the global markets by the end of the 20th century. Agriculture also became an increasingly knowledge-intensive enterprise as a farm-food-fibre-fuel/energy business chain, where concern for profits dominated. It required supply chain management acumen, which depended on market intelligence, trade policies, tariff barriers. The emphasis increased on quality, nutrition, consumption and health; food safety and issues like bioterrorism, environment and conservation of natural resources had come to dominate. The final onslaught on the agrarian economy of small and marginal farmers was made by the ad-mad world luring them to a consumerist lifestyle and ever-increasing aspirations disturbed the rural households set.

Under these complex and compelling conditions, the 80 per cent of educationally ill-equipped farmers (37% are below matriculation, 24% matriculates, 8% have education up to +2), were not able to reinvent agriculture. Their own liberal outlook and lack of financial discretion recoiled on them with mounting debt and many lost their lands, others sold these to clear the debt and thus got pushed out of farming.

In a recent critical appraisal of 11 villages, carried out by Punjab Agricultural University in the south-western districts of Punjab, of the 162 small and marginal farmers pushed out of farming, 38% joined the labour market, 9% supplied milk, 9% were doing nothing and others opened grocery or consumer goods shops, sold vegetables and sought petty employment. According to Dr G. S. Kalkat, Chairman, Punjab

State Farmers Commission, 22 per cent small and marginal farmers have left farming and 37 per cent more are ready to quit. A majority of those who left farming were not happy, found it difficult to cope with the new work culture as it did not conform to their psyche and led them to a self-destructive path, complicating the agrarian crisis. This is of grave concern because the native hard-working Punjabi farmer and his knowledge is a too valuable an asset to be frittered away. The cultivation practices are region specific, so is the quality of produce and intuitive abilities of the local growers, which are irreplaceable even in the current technology-intensive nature of agriculture.

With the farm economy destabilised, in the confused rural society larger numbers of rural youth are adopting a laid-back attitude and are not interested in farming. Due to inadequate and poor quality education, they are not employable, further compounding the misery. The fallout of all this is rampant drug abuse, loss of the indigenous value system and an increased tendency towards crime. The sustainability of the rural livelihood as a way of life, social ethos and culture are thus at stake in Punjab, making the current rural and agricultural scenario, scary and worrisome.

## **GENETIC POTENTIAL**

Although Punjab has been desperate to reinvent agriculture, make it economically viable for the growers and break the rice-wheat monoculture for the last two decades, any slight reduction in the area under wheat or rice in Punjab sends shivers down the spine of the Centre. The state has continued not only to meet the allocated national food grain production targets but has also invariably exceeded these for the last 40 years. Accordingly, sustenance agricultural research to maintain the yield levels has remained the priority area because constraints continue to arise due to the erosion of the genetic potential of the varieties, co-evolution of pests, degradation of natural resources and the environment.

The crop diversification recommended by the Johl committee since 1988, for a better farm economy, have not taken off, the much-hyped contract farming has failed, the Citrus Council collapsed and the adoption of resource conservation technology is eyewash. The ground realities are disheartening as the onus for the implementation of various subsidised efforts has been pushed on the farmer, who has to coordinate three establishments, soil conservation, horticulture and the erstwhile Punjab State Electricity Board to use drip irrigation technology! A small farmer is ill-equipped to work with this strange multi-window system and the insensitive dealing hands that make him go in circles and disappoint him. "Agriculture cannot wait" and in the absence of a "single-window system, a majority of the scientific recommendations have thus been lost and so are the benefits which would have accrued from them.

However, in the name of sustainability, all types of high-end agricultural technology, still being promoted in Punjab, will be again self-defeating for the remaining small and marginal farmers. It will prove beneficial for big farmers as was the outcome of the Green Revolution. Mechanisation is important for the economic sustainability of small and marginal farms too, but it has eluded them. Being left out for so long from the mainstream of concerns, a humongous social problem has thus been in the making for quite some time. The frequent breakdown of the agricultural economy in Punjab in spite of repeated economic reforms should be a serious cause of concern. The empirical efforts of the government have not addressed the issue as to why farmers are repeatedly getting into the vicious circle of debt and social devaluation. The debt trap of the farmer and social devaluation of the agrarian society of erstwhile Punjab were the most discussed topics from 1860 onwards till the irrigation network started giving returns and so it has been for more than two decades now, after the Green Revolution technologies petered out.

## **IMPULSES OF SELF-HELP**

The experiences of the past 150 years indicates that economic reforms may not be the only answer; instead an effort to strengthen the "fibre of their being" with proper education, training and appropriate hand-holding to generate the impulses of self-help would be a durable strategy. Government policies for sustainable development of agriculture will only work when people make informed decisions to meet the present needs, without compromising those of our future generations. Education, knowledge and skills are the attributes that strengthen the fibre of a human being, encourage self-help, empower and give confidence to shape a better future for themselves.

An analysis of the post-Green Revolution agrarian crisis has also indicated a much neglected aspect of the human dimensions. In addition, long-term planning, research and policy focus has to be on developing socially inclusive, relevant and environment-friendly technologies to prevent a frequent collapse of the agrarian society. Intensive technologies have been known to be disruptive universally. The New York state in 1910, was the topmost agricultural state in the USA, having 215,597 farms on 22 million acres. In 2003 it fell to the 25th position. By 1997 there were only 32,306 farms on 7.5 million acres, the average farm size having increased from 102 acres to 230 acres. But the small wine farms which maintained their quality, created an indispensable niche market and integrated themselves with industry survived and prospered. Here is an answer to Punjab's problem: develop technology for small farms, grow quality products, create village-based brands and integrate with industry and the market.

Finally, farmers too have to revive the much-needed work culture and reorganise their set-up. "Jai Jawan, Jai Kisan", the slogan of the sixties, gave India the Green Revolution, food security, stability and international recognition and Punjab the stature of being the nation's food bowl. New social status symbols and slogans are required like "Back to the Basics", "Back to the Farm", "Pride in Self Employment" to move out of the fear that things won't improve.

## WHAT SHOULD BE DONE

- Reinvent agricultural extension to move beyond the Green Revolution technologies. Emphasise the consequences of misuse and mismanagement of technology. Focus on the training of farm families, then assist them to develop viable projects around their own assets to grow niche area products of specialty crops/varieties like coloured cotton for dye-free handloom cloth clusters, specialty chapatti wheat, high carotene containing semolina, spices, herbs, flowers and their extracts etc., as a cottage/small-scale industry and guide them for branding, marketing, finance management and ensure timely corrective interventions for proper economic growth.
- The development and popularisation of equipment for small farms that can catch the fancy of youth from these families. Hand-hold the educated youth to set up high-tech small farms for protected cultivation, hydroponic fodder culture, organic farming, tissue culture labs, quality-testing labs, fresh food industry, bio-agent production- trichogramma cards, kitchen vermi compost kits and biopesticide formulations etc.
- The common village lands, in which every villager has a share, are controlled by panchayats,. They should develop a cluster of common facilities for (i) quality schools, vocation / skills development centres (ii) facilities for economic activity like primary and some secondary processing, sale outlets, public amenities and recreational facilities to develop agri-farm tourism because domestic consumption is currently the driving force for growth with an increasing population and a burgeoning middle class in India.
- Recognise farmers who generate employment for village youth and recognise educated youth interested in farming.

# **BOOK REVIEW**

**Review: Bose in Nazi Germany**

Subhas Chandra Bose has been the victim of far too many hagiographies and undoubtedly the biggest taboo, when it comes to Netaji scholarship, has been his dealings with Nazi Germany. In this path-breaking book, World War 2 German foreign policy historian Romain Hayes provides a detailed yet remarkably readable study of this aspect of the Indian nationalist's political life.

Throughout the 1930s, Bose had reached out to the Fascist and Nazi regimes in Italy and Germany, even meeting Nazi party officials in secret in Bombay in 1938 when he was Congress president. Hayes charts this 'enemy of an enemy is an ally' strategy of Bose's to his admiration of Nazi victories during the war against imperialist Britain, thereby making him perceive Germany, Italy and Japan as India's natural allies.

Hayes points to early German reticence to meet Bose, partly because Hitler was still looking at a rapprochement with Britain. He also charts the mutual admiration formed between Mussolini and Bose (who thought that the former would be a conduit to firming up an alliance with Germany). Here, as throughout the book, Hayes provides important context. Hitler and Bose were ideologically unappealing to each other — Bose attempting throughout his life to have Hitler's racist references to Indians excised from *Mein Kampf*.

Hayes also points out that Bose was not alone in admiring Mussolini, Gandhi too having been impressed by Il Duce's "care of the poor, his opposition to super-urbanisation, his efforts to bring about coordination between capital and labour".

But more than simply charting Bose's attempts to forge a strategic alliance with Germany, Hayes provides insights into the leader's understanding of geo-political realpolitik for the singular purpose of ousting British imperialism from India. We are provided details of Bose's meetings with the Nazi leadership, Hitler's wild vacillation regarding the German 'Declaration on India' and the consideration of an Indian government-in-exile in Berlin. And, of course, Bose's single meeting with Hitler in May 1942, where the Indian leader addressed the German as an "old revolutionary" while remaining a sceptic of Hitler's denouncement of the Soviet Union (even as he wasn't averse to the German leader's comment about Nehru's overt friendliness with the Russians). Rather cryptically, Hitler advised Bose to quickly reach an agreement with the Japanese to avoid "psychological mistakes".

Bose in Nazi Germany is a fascinating documentary on an important part of Netaji's anti-British strategy that has, till now, remained under a boulder for most people. Of particular interest is Bose's meeting with German foreign minister Joachim von Ribbentrop, who, more than anyone else, seemed to push for the Germany-Italy-Japan Tripartite Declaration on India in 1942 that declared that "it will not be the victory of British imperialism that will bring true freedom to the Indian people but solely the victory of the Tripartite Powers".

It's another matter that history rolled out another pair of dice for both India and Herr Bose.

# **ECONOMIC DEVELOPMENT**

## **DEBT AND ITS AFTERMATH**

### **- How India is affected by the US's declining economy**

S.L. Rao

American legislatures have allowed an increase in the ceiling on borrowings by the federal government. President Barack Obama can now fight the 2012 presidential elections with clearly defined issues — consequent to the limited debt ceiling and the agreement to begin cutting the deficit, there will have to be cuts in social security and other benefits, the drawing down of the stimulus, but no tax increases or closing tax loopholes for the rich. The Republicans will bring up 'socialism', big government and high taxes in their condemnation of Obama.

Meanwhile, the stuttering economic recovery may well slow down, unemployment will increase, interest rates go up, tighter liquidity might restrict output and fuel inflation. The forthcoming elections will be about the declining American economy.

The effects are made worse by the reduction in credit rating of the economy of the United States of America by Standard & Poor's, though other rating agencies have left it untouched. This will affect domestic and global expectations adversely. The shrinking of the American economy, rise in interest rates, reduced imports into the US, will have adverse effects on the global economy. The worst affected will be those who are overly dependent on American markets (like China, countries of the Association of Southeast Asian Nations, many European countries and Latin America). They will also decline. However, commodity prices the world over, including crude oil, might also decline, or at least not go up any further, as demand for them becomes constrained.

Thus the American legislative crisis about raising the ceiling on the US's debt (now resolved) has had large ramifications in American and global economies. Further, the ceiling on national debt in the American

legislative crisis was only a symptom of a fundamental crisis in the US economy for which it was a temporary band-aid. The real crisis is about the unwillingness of the American people and their leaders to take the measures which will change the psychology and behaviours that have led to the crisis.

For at least the last decade the US has taught its citizens that saving is unimportant, that there need be no limits to household or government borrowing, and that otherwise unaffordable luxuries can be had today. This was a transformation of the original thrifty American pioneers who made the US. Brilliant minds in New York created financial products that nobody quite understood. Sub-prime packages, options and derivatives, and many other products built by packaging and repackaging the original debt instruments ultimately led to the collapse in 2008. It was government money that stopped the collapse from going further and led to some stability among banks and financial firms. But the American economy took a bad hit.

Manufacturing had already migrated largely overseas, especially to China. Imports were a major portion of American household consumption, especially from China. China accumulated vast American debts incurred to pay for these imports. Unemployment was on the rise. Many economists felt that it was only government expenditures that could stimulate the economy. The Republicans thought the opposite, and now the stimulus has been sharply reduced. The American economy is unlikely to revive soon.

The US was and remains a vibrant, highly productive and very innovative economy. It also has a substantial government or employer-funded social security system. That, combined with easy access to credit, led to almost zero household savings. The government also spent massively on keeping the peace in the world and spreading democracy with the force of arms. In addition, the US has always kept energy prices low under a regime of low taxes, encouraging gas-guzzling cars,

excessive air conditioning, powerful lighting and so on.

Thus, American household debt in annual disposable personal income was 127 per cent in end-2007, versus 77 per cent in 1990. The US home mortgage debt to gross domestic product ratio rose from an average of 46 per cent during the 1990s to 73 per cent during 2008. In 1981, US private debt was 123 per cent of GDP; by the third quarter of 2008, it was 290 per cent. (Much higher later year figures were not easily available.)

Low interest rates stimulated the economy, and also reduced government interest payments. Budgeted net interest on the public debt was approximately \$240 billion in 2007 and 2008, 9.5 per cent of government spending. Interest was the fourth largest single budgeted disbursement category, after defence. Despite higher debt levels, this declined to \$189 billion in 2009 or approximately 5 per cent of spending, as average interest rates declined from 1.6 per cent in 2008 to 0.3 per cent in 2009.

In January 2011, foreigners owned \$4.45 trillion of US debt, approximately 32 per cent of the total debt of \$14.1 trillion, the largest holders being the central banks of China, Japan, the United Kingdom and Brazil. These creditor countries are flabbergasted at the American economic decline since it will result in a decline in the American dollar value and in the value of their American holdings.

The famous Laffer curve was the Bible for Ronald Reagan and George W. Bush. It focused on reducing tax rates without controlling expenditures.

Reagan and the junior Bush greatly increased government deficits but also cut taxes. Bill Clinton balanced the budget, and left a budget surplus that was squandered by the junior Bush. The conservative Tea Party Republicans want government expenditures to fall sharply, mainly on measures that help the poor and the aged, but also want that tax

loopholes and rates for the rich should be untouched. Obama would like to cut defence expenditure, collect more from the rich, and save on social expenditure with more efficiency. But he had squandered two years when the Democrats controlled both Houses. Instead of pushing ahead with his programme, he tried for bipartisan support, and failed.

If the Americans are to emerge from this crisis of overspending, there must be sacrifices in spending both at the household and the government levels. This will mean a reduction in living standards and some social benefits. Overseas, the US can no longer be the unilateral superpower, and must develop allies that it listens to and who participate in sharing the cost of keeping the peace. Grand ideas of spreading democracy must be given up. Energy and carbon taxes must be introduced along with incentives for improving productivity and innovations. A more insular, inward-looking US is inevitable. America's demographic composition and vibrancy will raise the American economy as past bad economic habits of households and governments are abandoned. Before these happen there will be considerable political and economic disruption.

India may not feel too much of an adverse impact. There may be a little, but not much, slowing of American investment flows. Outsourcing exports might survive as companies try to reduce costs. It is in foreign and security policies that we must prepare for major changes. The Americans will want us to share the peace burden in Asia, both on land and sea. Indian military and economic aid will rise.

Unfortunately, neither political nor economic leadership in India appears to be cleaning up the mess in governance, administration and corruption, or attending to institutional strengthening and educating the country to pay the costs of water, energy and so on.

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## **POLICY PARALYSIS**

### **- Small measures can make a big difference to the economy**

Bhaskar Dutta

The cliché of the month is ‘policy paralysis’. As I write this, hardly a day goes by without newspapers carrying some news item about public discontent with government inaction. The vast majority of people believe that the United Progressive Alliance government has been completely ineffective in dealing with a whole host of problems confronting the Indian economy, that it is either unwilling or incapable of taking any initiative in enacting much-needed reforms that would ensure that the rate of growth of the economy reaches the magic figure of 10 per cent.

After a long time — some would say much too long — the government decided to take the bull by the horns, and attempt to correct the public perception. The prime minister met a group of editors of leading newspapers in an attempt to convince them that the public perception is misguided, at least partly because of the bad press received by the government. The finance minister has also held at least one press conference in order to present the government’s case that it has actually been not as inactive as has been portrayed in the press. More recently, Pranab Mukherjee met various corporate leaders and outlined the government’s intention to present several pieces of legislation in the current session of Parliament.

Does the government really have a point? Is this a situation where the glass is actually half full but newspapers claim that it is at least half empty, and a somewhat pessimistic public have exaggerated this to mean that the glass is almost empty?

Unfortunately, the case for the government looks pretty bleak because even the prime minister's economic advisory council has now stated in its Economic Outlook for 2011-12 that the government seems disinclined to initiate new policies, so much so that the economy has lost momentum. The PMEAC has scaled down the projected rate of growth to 8.2 per cent. This is, of course, quite a respectable figure by most standards — most of the world's largest countries would love to be able to achieve even half this rate of growth. But what is important is to realize is that most people had predicted significantly higher rates of growth only a short while ago. Clearly, there are storm clouds hovering over the economy, and most people feel that the government is in denial.

Perhaps, the seeming inability or disinclination of the government to tackle rampaging corruption has been the biggest blow to the government's reputation. It was common knowledge that huge amounts of public money were misappropriated from expenditures associated with the Commonwealth Games. Similarly, there was an overpowering stench emanating from the entire process through which the 2G spectrum licences were awarded. Unfortunately, other than empty rhetoric, the Central government has not taken any concrete steps to convince us that it means business in so far as controlling the level of corruption is concerned.

The UPA government can also be legitimately accused of other acts of omission. Despite coming back to power two years ago, it does not have a single major piece of legislation to its credit. Neither can it claim to have implemented most of the major targets set by itself. For instance, there is a glaring gap between targets and achievements in the infrastructure sector — a sector which is crucially important if double digit rates of overall growth are to be reached.

The UPA government in its earlier incarnation could rightfully claim to have passed at least one piece of landmark legislation — the National Rural Employment Guarantee Act. Although several critics of this Act

allege (rightly) that this Act has resulted in large leakages, it has been a giant and welcome blow in support of social intervention in favour of the poor. Actions of this kind are also somewhat easier to implement because they are politically popular — no political party can afford to oppose reforms of this kind. In fact, some even claim that the UPA coalition won the 2009 elections largely because of this Act. The current government had — and still has — the opportunity to pass similar legislation in the form of the Right to Food Act. Unfortunately, it has been hamstrung because it suffers from parallel centres of power. In particular, the National Advisory Council, headed by Sonia Gandhi no less, and various administrative wings of the government have had crucial differences over what is appropriate and what is feasible. Draft bills and modifications have been flying back and forth between the two groups, the end result being that we still do not have any piece of legislation.

Another sphere in which the government has got a particularly bad score from the public is its failure to control the rise in prices. But, this may be somewhat unfair because it is not clear what the government could have done to bring prices under control. First, at least some part of the inflation has been imported from abroad — for instance, petroleum prices are influenced by crude oil prices. Second, prices of items such as fruits, vegetables, milk and eggs have been primarily responsible for the recent rise in food inflation. There is some evidence that rural real wages have been increasing rapidly — by as much as 20 per cent according to the labour bureau. This has resulted in a shift in consumption patterns away from cereals to the items mentioned earlier. However, there has not been a matching increase in supply. At least in the short run, there is very little that the Central government can do to augment supply of these goods.

But perhaps the government has finally realized that time is running out. There are signs that it has started to move on reform measures. For instance, it has recently jacked up petroleum prices to control the

subsidy bill. Incidentally, this much-needed measure generated a lot of criticism, with several opposition parties, and even the Trinamul Congress, calling it a tax on the poor. (Who said that governance is easy in India?) The government has also cleared two large foreign direct investment proposals after a long time. Again, this is a welcome move because FDI into India has slowed down a lot.

The government has just presented the lok pal bill in Parliament. There are also signs that a revised Land Acquisition Act will soon see the light of day. These are important and welcome moves. However, not all policy initiatives require new legislation of this type. For instance, it is essential to ensure that infrastructural bottlenecks are removed by attracting fresh investment into the sector. Efficiency in energy use can be improved by shifting the movement of freight from roads to railways. This would require an end to the practice of subsidizing passenger fares by increasing freight charges. There are a large set of such small measures that can make a big difference to the overall functioning of the economy. It needs no rocket scientist to identify these policies. But it does need a will to act.

The author is professor of economics, University of Warwick

## **Collateral damage**

Sitaram Yechury

With this column 'Left Hand Drive' completes six years. Thank you very much, dear readers, for your indulgence.

This week, panic grips the global economy as it wakes up. In the first one hour on Monday, the top 250 companies listed on the London Stock Exchange saw a steep loss of their capitalisation. Last week, the turbulence in the global markets saw more than \$2.5 trillion wiped off from investors' wealth. The sensex in India lost over R4 lakh crore in the last four trading sessions. Last week ended with the unprecedented downgrading of US sovereign long-term credit rating by Standard & Poor's from 'AAA'. The simultaneous sovereign credit crisis in the Eurozone has seen the virtual insolvency of Greece, Ireland and Portugal, which had to be bailed out by huge packages. The crisis is now threatening Spain and Italy and is unlikely to stop there.

However, it will be wrong to characterise these developments as a new phase of the global economic crisis. In a sense, this is a continuation of the financial crisis that began in 2007 leading up to a recession. This was only to be expected given the manner in which global capitalism sought to overcome the 2007 crisis. By undertaking huge and unprecedented bail-out packages for those very corporate bodies that, in the first place, caused the financial meltdown, developed countries incurred huge amounts of debts surpassing their GDPs. Global capitalism sought to overcome the crisis by converting corporate insolvencies into sovereign insolvencies. This, in turn, has intensified the crisis today plunging the world economy into a state of uncertainty.

The Special Inspector General for the US government's financial bail-out programmes, created to serve as an auditor of the federal bail-out, in

a prepared testimony to be delivered to the US Congress House oversight committee says, "Since the onset of the financial crisis in 2007, the federal government, through many agencies, has implemented dozens of programmes that are broadly designed to support the economy and the financial system. The total potential federal government support could reach up to \$23.7 trillion." Compare this with the US' GDP that is just over \$14 trillion. The US Treasury spokesman, however, denies the veracity of this figure.

The truth, however, is that as of May 16, 2011, the total US debt was pegged at \$14.3 trillion. Now, the US has an anachronistic law adopted in 1917 that puts a ceiling on the magnitude of debt in absolute terms. This is unlike in Europe or in India where the size of the fiscal deficit (different from debt) is fixed as a percentage of the GDP. This ceiling, however, was routinely revised upwards in US history. Given the current debt crisis, it was presumed that the tradition of this routine will continue. However, this was not to be.

The Republicans, whose concurrence was essential to raise the ceiling, demanded their pound of flesh. While insisting that the tax benefits for the rich that began during the George W Bush era be continued, the Republicans put a condition for agreeing to increase the debt ceiling only if severe cuts were effected in expenditures that were essentially aimed at benefiting the poor and the needy such as in Medicare.

Similar is the logic of the sovereign bail-out packages offered by the International Monetary Fund and the European Union in the Eurozone. Countries like Greece had to undertake massive 'austerity measures' to cut expenditures. This has imposed an unprecedented burden on the working people, whose remunerations, among others, have been drastically cut. During the last two years, the popular protests in Greece have seen 17 general strikes nationwide.

In other words, what is happening is the following: the capitalist State mobilises resources for huge bail-out packages. In the process, it

accumulates massive sovereign debt. The burden of this debt is transferred on to the shoulders of the working people through massive cuts in welfare and social security expenditures. This is the logic of capitalism, pure and simple: maximise profits by intensifying exploitation. In the US, data from 2009 corporate tax returns shows that the estimates of corporate profits grew from 8.3% to 10.8% in 2010. Corporate profits accounted for 14% of the total national income in 2010, the highest ever recorded. At the other end of the spectrum, the US has today an unprecedented unemployment rate of close to 10%.

This situation is not confined only to turbulence in global finance. It has sowed the seeds of a more fundamental crisis. As the burden of sovereign debt is passed on to the common people, their purchasing power correspondingly declines. Combined with the growth of unemployment, this leads to a sharp contraction in domestic demand. Further, this global crisis has drastically reduced global trade. With the contraction of domestic demand in all the major economic powers, save China, the contraction of GDP is inevitable. This, in turn, will lead to a contraction in governmental revenues, imposing further debt. The servicing of this would lead to imposing further burdens on the people. This vicious cycle has been set in motion.

For us in India, it is important to draw the correct lessons. Given the global financial turbulence, India must not be fool-hardy to rush into 'Gen Next' financial reforms. In the first place, if India could protect itself from the devastating effects of the global meltdown in 2007, it was because the Left parties had prevailed upon UPA 1 not to proceed with such financial reforms that were waiting to be legislated. Such wisdom must prevail to protect our economy and people from this global turbulence.

*Sitaram Yechury is CPI(M) Politburo member and Rajya Sabha MP. The views expressed by the author are personal.*

## **The debt danger for India**

C. P. Chandrasekhar

The Indian government's response to the market collapse that followed the U.S. debt standoff and subsequent Standard and Poor's downgrade was predictable. While acknowledging that India was impacted, the effort was to play down the likely intensity of that impact. "Our institutions are strong and [we] are prepared to address any concern that may arise on account of the present situation," Finance Minister Pranab Mukherjee reportedly stated. He also promised that the government "will fast track the implementation of the pending reforms and keep a close eye on international developments."

That response misses the point. The problem is not that India is not adequately reformed, but that past reforms have resulted in its integration through flows of finance with global capital. This makes the perceptions and behaviour of global capital, whether stimulated by India's fundamentals or not, of importance to the country. And unlike China, a lot of the reserves that insure the country against adverse global responses are not earned through current account surpluses, but are drawn from what foreign investors have delivered in the past. Keeping legacy capital satisfied is crucial for stability.

Put simply, independent of whether there would be a global slowdown that would impact India, the country is exposed and vulnerable to global financial uncertainty. So even when some of its fundamentals are ostensibly strong it is liable to be hit by weak investor sentiment. India is vulnerable because international finance may assess its so-called fundamentals very differently from the way they are assessed by the government.

Consider the issue that now captures financial market attention: public debt. The experience in Greece, Spain, Portugal and elsewhere suggests that finance capital is increasingly “intolerant” of what is perceived as excessive public debt. In some instances this may be understandable. International financial investors are substantially exposed to government bonds in some of those countries, and their governments seem increasingly incapable of meeting their debt service commitments. Sovereign default threatens investor solvency. What is not understandable is the austerity that finance demands in those countries. It not only triggers protest and social disruption. It also results in contraction of employment and incomes, and undermines the ability of governments to garner the revenues needed to pull themselves out of the crisis.

Trapped in its own ideological quagmire, finance now seems to have lost its bearings. The cause for concern about public debt in a particular context has been extended to an unthinking abhorrence of all debt. The standoff over public debt in the US was not because the US government was over-indebted relative to its GDP. There are many other OECD countries from Greece to Germany that have a higher public debt to GDP ratio than the US. And even to the extent that debt has risen sharply in recent times in the US, it is largely the result of the failure of finance. The huge stimulus and bail-out package adopted by the US government to deal with the crisis delivered by irresponsible financial agents in 2008 took the net public debt to GDP ratio in the U.S. from 42.6 in 2007 to 72.4 per cent in 2011.

Financial interests benefited from that package and also bought into that debt using the near-interest free liquidity provided by the Federal Reserve. In the process they increased their exposure to sovereign debt in the US and elsewhere. But now that they are overcome by fears of sovereign default, they want a “correction”. So even in the U.S. they have not merely backed the irresponsible Republican refusal to accept a routine hike in the debt ceiling cap, but have through discredited rating

agency Standard & Poor's delivered an irresponsible first time downgrade of U.S. debt. That has been enough to trigger the turmoil in world markets.

It is in that background that we should view reports of S&P's statement that fiscal capacities in Asian emerging markets, including India, have shrunk relative to 2008. This, it has argued, would mean that in the event of a second global slowdown: "The implications for sovereign creditworthiness in Asia-Pacific would likely be more negative than previously experienced, and a larger number of negative ratings actions would follow."

This is more of a threat than an analysis. But if a wrong downgrade can make a difference to US markets and interest rates, so can it for India's. The real difficulty is one that emerges from an analysis by Cornell economist Easwar Prasad in the Financial Times. That analysis suggests that though India's gross public debt to GDP ratio declined from 75.8 per cent to 66.2 per cent between 2007 and 2011, it still is among the highest in the region. India's 66.2 per cent level compares with Malaysia's 55.1, Pakistan's 54.1, Philippines' 47, Thailand's 43.7, Indonesia's 25.4 and China's 16.5.

So if S&P needs a target to declare that some governments in the Asia-Pacific are excessively indebted, then India is in the firing line. It is no doubt true that a number of factors make Indian public debt less of a problem than in many other contexts. To start with, much of public debt in India is denominated in Indian rupees and is owed to resident agents and therefore is unlikely to be adversely affected by uncertainty in international debt and currency markets. Secondly, within the country public debt is largely held by the banking system dominated by public sector banks. They are subject to government influence and are unlikely to respond to developments in ways that make bond prices and yields extremely volatile. Given these circumstances, public debt is not a

potential trigger for a crisis and in any case should not worry private financial interests.

But that is unlikely to satisfy the likes of S&P. India has been a favoured target of foreign finance. And if it does not satisfy its requirements, it can fall out of favour. In its search for new investment targets, global finance has viewed with interest debt markets in countries like India. And in any debt market, what better instrument than relatively risk-free government securities. So, anything that muddies that potential market would disturb finance capital. India may be put on alert and even downgraded. The fact that, at the moment, publicly owned banks largely hold government paper is inadequate insurance.

Besides, there are other reasons why international finance would resent excessive debt-financed spending by governments. One is that given the monetarist mindset that characterises finance, such autonomous debt-financed public expenditure is seen as potentially inflationary. Since inflation erodes the real value of financial assets, it is anathema and, therefore, so is deficit-financed spending. The other is that when rising debt increases the interest burden in the budget and restricts the manoeuvrability of the government, it may push for a reduction interest rates. Private financial interests do not favour such intervention in financial markets. They, therefore, seek to address the problem at its source.

For reasons such as these, international finance is strongly opposed to the build up of public debt as a result of large and rising fiscal deficits. It is no doubt true that even if institutions like S&P flag India's public debt as excessive, it may not lead to a fall in bond prices and an immediate rise in interest rates. But, it may signal, however erroneously, the overall unreliability of Indian markets and encourage the exit of financial investors from markets other than debt. This perhaps partly explains the current volatility in the equity market.

The issue is not whether India is directly coupled with global bond markets. It is whether India is financially integrated enough for any adverse assessment by sections of international finance to destabilise its markets. That much India's reform has indeed achieved. So when irresponsible ratings by a rogue agency create instability, the response should not be a pledge to undertake further "reform". Rather, it should be to rethink which facets of reform have increased India's vulnerability and how.

# **JUDICIARY**

## PIONEER 8.8.11 JUDICIARY

### **Justice delayed and denied**

Joginder Singh

**The Government has clearly failed to fulfil its duties as mandated by the Constitution, including that of ensuring justice for every citizen.**

The Constitution of India lays down the framework of defining fundamental political principles, establishes the structure, procedures, powers and duties of Government and spells out the Fundamental Rights, Directive Principles and duties of all citizens. It is the longest written Constitution of any sovereign country in the world, containing 444 articles in 24 Parts, 12 Schedules and 94 Amendments. The Preamble states:

We, the People of India, having solemnly resolved to constitute India into a Sovereign Socialist Secular Democratic Republic and to secure to all its citizens:

Justice, social, economic and political;

Liberty of thought, expression, belief, faith and worship;

Equality of status and of opportunity; and to promote among them all Fraternity assuring the dignity of the individual and the unity and integrity of the Nation.

How far we have succeeded in giving justice to the poorest of the poor after more than six decades of independence is best reflected in the speech of the Union Minister for Finance at the national consultation for strengthening the judiciary on July 31: “The poor feel let down by the judicial system. They are attracted towards extremist ideologies and

taking the law in their hands.” The blame, however, cannot be laid at the doors of the judiciary alone. Judicial delays are due to the reluctance of the Government to strengthen the judiciary. We have one of the lowest population to judges ratio, lengthy procedures and outdated laws.

The Union Minister for Law and Justice has admitted in Parliament that the “delay in filling up the vacancies of judges is one of the main reasons for accumulation of pending cases in courts.” According to the Minister, 32.06 per cent — 287 of 895 sanctioned posts — were lying vacant in 21 High Courts across India in October-end, 2010. In March last year, the Minister had informed Parliament that there were 273 posts lying vacant in High Courts. In district and subordinate courts, 3,070 of the 17,090 sanctioned judicial posts were lying vacant. In other words, as the number of vacancies continues to increase, so does the number of pending cases.

The courts, from the lowest to the highest, between them had an estimated 32.12 million cases pending as on September 30, 2010. The number of pending cases was 31.54 million on June 30, 2010. These figures speak for themselves to show the wrongs, injustices and conflicts our people have to live with. For many victims of injustice, critics say, the courts are the last resort for seeking justice, given the competence and accountability issues surrounding the bar and the bench; moreover, the process is often expensive and dilatory with inconsistent outcomes.

Theoretically, all institutions of governance are responsible to the people of India. But in reality they are the masters of the people as nothing can be done to any institution or the Government if it does not perform its duty as mandated by the law or the Constitution. The Government had sometime back announced that it would introduce a law guaranteeing Right to Justice to every citizen. The problem is that we have the most number of laws and, at the same time, most poorly governed.

Do we really need a law to ensure justice for every citizen? The duty of

ensuring justice is enshrined in the Preamble to our Constitution. A reality check on how far the Government has done its duty by the Constitution would make for sad commentary and reflect poorly on our institutions. What we have is crisis after crisis of governance. Nobody doubts the personal integrity of the Prime Minister, but hardly anybody believes that anything worthwhile has been done to check corruption under his watch.

Be it the 2G Spectrum scam or the Commonwealth Games lootfest, the Adarsh Housing Society scandal or the appointment of a tainted bureaucrat as the Central Vigilance Commissioner on the pretext that the Prime Minister was unaware of the chargesheet pending against him, they are all manifestations of the Government's inability to handle even ordinary matters. Even the priorities of the Government are skewed. It can spend tens of thousands of crores of rupees on an 11-day show called the Commonwealth Games but when it comes to improving the criminal justice system which is crucial to good governance, it pretends it has no money!

The Supreme Court has more than once observed that the criminal justice system has been subverted with witnesses being manipulated and trials being hijacked with judges and lawyers reduced to "handicapped witnesses". Comparing the lower courts with ill-equipped and ill-staffed public health centres in rural areas which people avoid, the Supreme Court once observed: "The courts of magistrate and munsif have ceased to be an option for the common man."

The Government suffers from the delusion that its duty to the citizens of the country as mandated by the Constitution is done by passing laws. Most of these laws are framed only to be honoured more in the breach than in the observance. In any event, a scrutiny of these laws would reveal that they are framed with a view to let off criminals than to punish them. Criminals know this better than anybody else: There are any number of loopholes in the laws meant to prevent crimes for them to

wriggle through and escape punishment. Given this fact, it is not surprising that there is an alarming spurt in crimes and criminal activities ranging from murder and theft to abduction and rape.

North India has emerged as the country's most crime-infested region as far as crimes against women and children are concerned. Uttar Pradesh and Delhi, the national capital, continue to witness an alarming increase in the incidence of rape. Rajasthan is close behind with even children not being spared by rapists. The statistics of other States across the country are no less depressing. The only fault of women and children who are targetted by rapists is that they are either too weak or too young to defend themselves. Rare is the occasion when their rapists are brought to trial and punished.

In short, the Government has failed the Constitution and the people of India on almost all fronts despite tall claims of economic growth. The poor have become poorer and the rich have become richer. In a nutshell, we are as well off or as poor as we were before our independence.

# **RIGHT TO INFORMATION**

**Now, you can use RTI to re-evaluate answer-sheets**

[Dhananjay Mahapatra](#),

The [Supreme Court](#) on Tuesday ruled that students aggrieved with their examination scores - class X and XII, entrance exam for professional courses as well as job recruitment tests - can now take a look at how they were evaluated by moving an application under the Right to Information Act.

So far, only re-tabulation of marks was possible. Now, the court has provided for re-evaluation of answer-sheets, which will include whether examiner missed out awarding marks for answers to some of the questions.

Passing the path-breaking order that will be lapped up by students, but may cause consternation among the teaching fraternity, a bench of Justices R V Raveendran and A K Patnaik dismissed a bunch of appeals filed by the [Central Board of Secondary Education](#), West Bengal Board of Secondary Education, [Institute of Chartered Accountants of India](#) (ICAI), [University of Calcutta](#), West Bengal Central School Services Commission and [Assam Public Services Commission](#).

The petitioners had challenged rulings by different information commissioners under the [RTI Act](#) directing them to show the answer-sheets to the students.

The basic contention of all these education boards, [Calcutta University](#) and ICAI was that there was a fiduciary relationship between the examiner and the board, and hence it was not proper to show the answer-sheet to the student. CBSE had claimed exemption from the ambit of

RTI Act.

The classic among the cases dealt by the apex court was that of a Kolkata student Pritam Rooj, who had scored 91.6% in the Class X examination and 80.8% at the higher secondary (Class XII) examination.

But his performance dipped unexpectedly in the mathematics honours course, which he studied in Presidency College under the Calcutta University. In 2005, he got a mere 52% in his Part-I examination and an identical percentage the following year in Part-II, with just 28 out of 100 in the fifth paper.

Rooj applied for re-evaluation of the paper, and was awarded four additional marks by the university. But, that did not give him a first division and ruined his dream of studying in the Indian Institute of Science, Bangalore.

On August 14, 2007, Rooj filed an RTI query seeking a copy of his answer-sheet from the university. But, the principal information officer said no inspection of answer-sheet was permitted under the RTI Act.

He moved the [Calcutta High Court](#) and got a favourable order. Similar orders had come in from the high courts of Gauhati in Assam and other places. The apex court had joined them together and heard arguments.

# **SOCIAL JUSTICE**

## **Centre as the Big Brother**

A SURYA PRAKASH

**The proposed Communal Violence Bill aims to slip in provisions that will restore the *dadagiri* of the Union Government over the States.**

Apart from generating communal strife and pitting religious minority communities against the majority community in every State and Union Territory, the proposed Prevention of Communal and Targetted Violence (Access to Justice and Reparations) Bill, prepared by the National Advisory Council, incorporates some extremely dangerous provisions which seek to re-impose the '*dadagiri*' of the Centre on the States and even promote insubordination in the administration in the States. There is also an attempt to introduce some mischievous provisions to classify crimes on communal lines.

In the earlier article on this proposed Bill, this writer had referred to provisions that *ab initio* treat members of religious minority communities as 'victims' and members of the religious majority community as 'culprits' in every instance of communal violence. The other insidious aspect of the proposed law is the attempt to use communal violence as a pretext to usurp the States' right to maintain law and order and to signal to bureaucrats and policemen that Big Brother in New Delhi is watching them.

It is obviously a cunning attempt to re-acquire the unbridled powers which the Union Government had exercised under Article 356 of the

Constitution before the Supreme Court's verdict in the Bommai case. Prior to the Bommai case, the Union Government imposed Article 356 with reckless abandon. The Congress, which was ill at ease with the growth of regional parties, used this provision regularly to sack duly elected State Governments and to impose President's rule on the States.

For example from 1950, when the Constitution came into being, to 1994, when the Supreme Court pronounced its judgement in the Bommai case, Article 356 was used by the Union Government on 102 occasions. On 77 of these occasions the Congress was in power at the Centre and just one Prime Minister — Mrs Indira Gandhi — used this provision 50 times. The Supreme Court stopped such misuse of Article 356 through its judgement in the Bommai case.

The court declared that henceforth the proclamation issued under Article 356 would be judicially reviewable and the court would examine whether the proclamation was issued for mala fide reasons. It said the court would retain the power to reverse the actions taken by the President if they were found to be mala fide. This judgement virtually put an end to the misuse of Article 356. The Communal Violence Bill now offers scope for mischief via a backdoor entry of Article 356 as it stood prior to the Bommai case in the guise of ensuring minority rights.

Initially the proponents of the Bill wanted organised communal violence in a state to be classified as "internal disturbance". Article 355 imposes a duty on the Union Government "to protect every State against external aggression and internal disturbance". Therefore, this was a clever move to snatch away the basic constitutional right of every State to manage law and order and to impose Central rule.

However, following public protests, the NAC has recently announced that this provision has been deleted from the draft Bill. But the threat to the independence of State Governments is not over because of certain other provisions in the Bill, like Sections 9, 13, 14 and 16 pertaining to

the bureaucracy and the police in the States and Section 15 which directly targets office-bearers of political parties. Section 13 pertains to dereliction of duty and is so worded that every public servant working in the district or State administration (with some responsibility in regard to maintenance of law and order) can be hauled up in the event of a communal flare-up.

Officials can also be accused of helping or harbouring culprits belonging to the majority community. Section 14 deals with public servants for breach of command responsibility, meaning their failure to control the men in their command. In other words, police officers can be prosecuted if men under their control commit an offence or are accused of committing an offence against a religious minority community. The law proceeds on the assumption that the officer ought to have known that persons under his command would commit an offence.

But the worst provision is Section 16, which is directly aimed at promoting insubordination in the police and para-military forces deployed in a troubled State. It says, “Where an offence has been committed under this Act, the fact that it was committed by a person pursuant to an order of a superior shall not relieve that person of criminal responsibility...”. In other words, it encourages every policeman to question or challenge his superior right up the line of command and, if he so believes, to disobey his superior. Every policeman will need to worry about how the Union Government (and not the State Government) will view his actions. It is difficult to find a more irresponsible provision in any law.

The law proposes for the establishment of a National Authority for Communal Harmony, justice and reparation and similar authorities in the States. It empowers the national authority to enter any building and seize any documents, which means it has the authority to intrude into State Government offices and even the chambers of Chief Ministers. Several other provisions also hit at the root of federalism and weaken the

States.

Equally disgusting is the communal colour that this Bill gives to every major offence. Though the Indian Penal Code deals with all such crimes, the proposed law draws a distinction between rape of a ‘minority’ woman and a ‘majority’ woman and assault of a ‘minority’ person and a ‘majority’ person. The victim acquires an exalted status if he or she belongs to a ‘minority’ community. Nowhere in the democratic world does one get to see such communalisation of crimes.

Finally, politicians belonging to parties which are not part of the political dispensation at the Centre had better watch out. Section 15, which talks of offences committed by “other superiors”, says, “Whoever, being any non-state actor or superior or office-bearer of any association...”. The implication of this is that office-bearers of political parties and associations and organisations affiliated to political parties in power in the States can be hauled up under this law. This is obviously a provision to enable the Union Government to haul up political opponents and their affiliates in the States.

The net result is that this Bill will destroy communal harmony, weaken the federal structure and encourage authoritarian trends at the Centre. The Communal Violence Bill must be rejected lock, stock and barrel.

# **TERRORISM**

## HINDU 11.8.11 TERRORISM

### **This war can't be won by mines and bullets**

Siddharth Varadarajan

PTI Paramilitary soldiers guard the blast spot in Dantewada district on Tuesday. That the Maoists chose to detonate an IED by remote control knowing a large number of non-combatants would die should be a lesson for anyone who harbours illusions about the Maoists and their project.

It is not litigants who've gone to court seeking the rehabilitation of civilians or 'civil society activists' but the Maoists and the state who must answer for the deaths of innocents in Chhattisgarh.

Whether Operation Green Hunt actually exists or is, as P. Chidambaram insists, a figment of the media's imagination, Monday's deadly Maoist attack on a bus in Dantewada suggests it is the hunted that are doing most of the hunting.

Over the past six weeks, the Maoists in Chhattisgarh have killed more than 90 policemen or jawans from the CRPF or local constabulary. The 76 men killed in Chintalnar in April represent, perhaps, the highest casualty figure sustained by state forces in a single incident in a war anywhere in the world in years. Apart from the six villagers executed on Sunday after a kangaroo 'peoples court' found them guilty of being "informers", the Communist Party of India (Maoist) killed 15 civilians in their attack on the bus, injuring scores more.

In the latest incident, the primary target was probably the group of Special Police Officers (SPOs) who were travelling on the roof of the bus. But even so, the fact that the bus was full of civilian passengers would have been obvious to the Maoist commanders whose spotters were apparently tracking the SPOs. That they chose to go ahead and detonate the land mine or IED by remote control knowing a large

number of non-combatants would die should be a lesson for anyone who harbours illusions about the Maoists and their project.

When I had the opportunity to put some questions in writing to Azad, spokesman of the Maoists, in March, I was keen to push him on whether or not his party believed it had an obligation to conform to international humanitarian law. This is the body of rules which regulates armed conflict. The targeting of civilians and the killing of captives, for example, is expressly forbidden. As a format, written questions and answers do not allow the interviewer to pose counter-questions. Given this limitation, I anticipated the answer Azad would give on the question of the laws of war — that his fighters were not obliged to follow them because the government itself was not doing so — and suggested this was tantamount to admitting the Maoist party subscribes to the same political culture and moral universe as the state it condemns. This suggestion of mine was met with silence but the attack on the bus is answer enough. The Maoists are not Gandhians with guns.

### **Consolation and excuses**

The authorities can console themselves by saying the latest attack shows the “growing desperation” of the Maoists, or that the targeting of civilians by them will be their undoing. But the fact is that by any metric of warfare, they are the ones who seem to have the upper hand. And they have it not because Indian democracy is robust enough to allow for a debate on the rights and wrongs of official policy or for PILs to be filed in the Supreme Court but because the CRPF, local police and SPOs on whom the Chhattisgarh government and the Centre rely lack training, discipline, equipment, mobility and motivation. Instead of squarely facing this problem, Mr. Chidambaram and his colleagues in the Home Ministry are busy pointing fingers at others or bemoaning the lack of a “mandate” to fight the Maoists.

More than “social activists”, it is the government that ought to be concerned about the fact that many of the “successes” notched up by the

security forces in Chhattisgarh have turned out to be bogus. For example, most of the dozen odd naxals supposedly killed in a fierce encounter last fall near Gompad were innocent villagers, some of them elderly.

There is both a moral and a military issue at stake here. Killing innocent people is wrong but it is also militarily foolish. Passing off ordinary villagers as Maoist combatants and faking entries in official log books may help the security forces present an inflated account of their success but will make actual victory on the ground even more difficult. On Tuesday, the Home Minister reiterated the importance of the so-called “two-pronged strategy” to deal with naxalism: “One prong is police action, and the other prong is development”. Unfortunately, neither prong is being followed very effectively. Indeed, the fact that there is today in Chhattisgarh an inversion of the supposed hunt is precisely because the state and central governments have made a mess of both policing and development. Thanks to a disastrous counterinsurgency strategy, several hundred innocent villagers have been killed, thousands of dwellings destroyed and tens of thousands of Adivasis displaced. In Gompad last year, the SPOs cut off the fingers of a two-year old boy, Suresh. *The Hindu* published his photograph on October 20, 2009. Not one word of condemnation or remorse was heard from Mr. Chidambaram or his Ministry.

Far from weakening the Maoists as its supporters claimed it would, the Salwa Judum vigilante movement which both New Delhi and Raipur patronised for years has strengthened the insurgents. This is precisely what the petitioners who filed a PIL in the Supreme Court in 2007 against the vigilantes had warned would happen.

In a recent RAND Corporation report, *How Insurgencies End: Key Indicators, Tipping Points, and Strategy*, Ben Connable and Martin Libicki conclude their survey of 89 past and present insurgencies by noting that ‘anocracies’ are the one form of government least likely to

prevail over an insurgent force. Democracies do best and dictatorships sometimes prevail through sheer repression but the anocracies do worst. An anocracy is a phony democracy, which is good at neither proper democratic methods nor full-fledged autocracy. Its institutions are weak, offering little possibility for the government to isolate an insurgency from the people in whose name the fight is being waged. But the need to preserve the façade of democracy also means the full panoply of repressive measures — air strikes, mass arrests, censorship — is not available either.

India may be an imperfect democracy but I do not believe it is an anocracy. And yet, one could argue that state practice in Dantewada and other parts of India is anocratic. Based on the RAND data, then, it is safe to assume the Maoists are not going to be defeated any time soon. The choice we face is to democratise or autocratise the state's response and the wider machinery of governance. Those who want to autocratise favour a dramatic escalation of the war, the rapid deployment of large numbers of security personnel, the use of air strikes. They are also intolerant of dissent and are quick to label any criticism of official policy as 'support for Maoism'.

Prime Minister Manmohan Singh and Congress president Sonia Gandhi are coming under intense pressure from this faction but they know the problem will grow exponentially if the government goes autocratic. And yet, they lack the confidence to democratise. What would democratisation as a counter-insurgency strategy look like? First, this requires strict adherence to the laws of war. No one can question the state's right to fight those who take up arms against it. But non-combatants must never be targeted, let alone allowed to get in harm's way. This would also mean ending the practice of billeting jawans in school buildings and other civilian infrastructure or hitching rides on civilian transport. India may not have signed the Geneva Convention additional protocol on internal armed conflict but Common Article 3 of the four conventions to which India is a party — not to speak of the

Indian Constitution — prohibits violence against those not taking active part in hostilities or against combatants who are in custody. The reason the laws of war are important is that they provide a measure of protection to both sides, not to speak of civilians.

Second, the Centre should support the plan, currently before the Supreme Court, for the comprehensive rehabilitation of all those displaced by the violence in Dantewada. Third, the government should seriously consider a mutual ceasefire so as to push the Maoists towards dialogue. The cessation of hostilities, if extended, would allow the Dantewada rehabilitation plan to be implemented under the overall supervision of the Supreme Court. Fourth, every manifestation of autocratic behaviour — the farcical public hearings on land acquisition for mining and power projects, the filing of criminal cases against poor Adivasis for minor violations of the Forest Act, has to stop.

### **Not a war they can win**

As for the Maoists, they need to realise this is not a war they can win. The Indian state's capacity to absorb punishment is far greater than the Maoists' ability to inflict violence. Whatever else it lacks, India certainly does not need more soldiers, guns and IEDs. What it could use is a strong political movement to give voice to the aspirations of ordinary workers, peasants, tribals, women and other marginalised sections. Mao may have said power flows out of the barrel of the gun. But he also said to put politics in command. Alas, in Chhatisgarh today, there is no politics.