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On 15th August, the Prime Minister Dr Manmohan Singh unfurled the national flag to celebrate India’s 65th Independence Day and the attainment of ‘freedom’ from oppressive colonial rule. In comparison to many of its peers who were similarly liberated from the colonial yoke, India has much to be satisfied about after 64 years.

But there are many areas of inadequacy that must cause deep concern, such as corruption, and in some areas abiding shame, as for instances of female foeticide and honour killings. The freedom and equality that was envisioned in August 1947 and formalised in January 1950 through the Constitution remains elusive for millions of Indians, and where it is ostensibly provided it is. And in many ways, the controversy over the film ‘Aarakshan’ epitomises these distortions and contradictions.

This is not a review of the film which is being perceived as anti-Dalit but it draws attention to the nature of the controversy generated by different constituencies that has resulted in the banning of the film in two states – Uttar Pradesh and Punjab - while another - Andhra Pradesh - has suspended the film.

The film, which was duly cleared by the Film Certification Board (the old nomenclature Censor Board has been thoughtfully changed to Certification by Leela Samson) was yet to be released. But the promotional dialogue and clips shown on Television were deemed to be offensive to Dalit sensibilities and the controversy grew by the day.
The freedom of speech and expression guaranteed in the Constitution was distorted in an opportunistic manner and a paradoxical sequence of events followed.

The film which was not seen by the principal protesters was assumed to be against the lower caste cross-section and cynical political opportunism introduced. The debates that raged became shrill and angry and caste-bank politics were at play. The director, Prakash Jha has moved the Supreme Court to challenge the ban imposed by some states.

The Indian state has denied its citizens the most valuable freedom – that from ignorance and illiteracy.

More than the legal precedent endorsing Article 19 (1)(a) of the Constitution, that was already established in 1989 in the case of the Tamil film “Ore Oru Gramathille”, the Aarakshan controversy is illustrative of two serious malignancies in the Indian body-politic, which if ignored will have very adverse national security consequences. While the founding fathers of August 1947 and those like Dr Ambedkar who drafted the Constitution had hoped to make social equality (and religious neutrality) a reality progressively, in a feudal caste-riven society - by introducing the concept of equitable reservation in education and employment opportunities for the traditionally oppressed sections of Indian society – the reality after seven decades is ugly and dangerous.

Caste and religion have become the major drivers of Indian politics and many states in India have strong and assertive regional parties that are predicated on caste. Tamil Nadu, Uttar Pradesh and Bihar are cases in point while Punjab has spawned a sectarian religion derived identity. Debate on these issues has become polarised and the backlash of the Mandal commission is still to be fully internalised.

Intolerance was at play in the controversy over the release of Aarakshan and Television discussions saw little of the objective, constructive, persuasive debate that is the bedrock of democracy. Freedom as envisioned in 1947 was about the right to have and be allowed to voice dissenting views - but the mood in the country today, whether reflected in Parliament in Delhi or legislatures in state capitals is partisan, juvenile and often abusive in form and content. When was the last time that the Indian citizen was privy to a reasoned and constructive debate in the legislature on a matter of national import?

While caste has become the lightning rod about Aarakshan it is misleading. The film dwells more on the crass commercialisation of education in India today and here is another grave trampling of the cherished objective of equality. As a security analyst, I have no hesitation is asserting that the most serious omission of the Indian state from Jawaharlal Nehru onwards is the lip-service paid to education and the freedom denied to millions of Indians. The state and its elected representatives are culpable.

By treating education not as a fundamental right of the citizen – but a lucrative commercial enterprise – the Indian state has denied the most valuable freedom – that from ignorance and illiteracy. Aarakshan dwells on this issue, but strangely this has not attracted the kind of attention it deserves but has been distorted, lest the angry Indian parent ask inconvenient questions of the politician and bureaucrat.

It is often said that the politicisation of crime and the criminalisation of politics in India has reached its nadir and whether the 3G scam, land mafias or the current pattern in Uttar Pradesh where history-sheeters are being politically rehabilitated – the mood in the country is grim and freedom for the citizen is sullied. But the greatest crime being perpetuated by the Indian state is the denial of equitable, affordable high education for all.

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What we see: social activist Anna Hazare forever poised on the lip of a threat, that of a prolonged fast. What we know: Hazare is demanding that the Parliament of India adopt the Jan Lok Pal bill, as drafted by his team, which promises to create a new, independent and anti-corruption agency.

With the fasting and a leader wearing a white cotton cap of a certain kind, it seems that Gandhi and Gandhism is back in vogue again. Gandhi led one of the greatest political movements the world had ever witnessed - India's non-violent march towards independence from colonial rule. Many of today's protestors believe that they are participating in the second freedom struggle from misrule.

So they don the Gandhi cap as they join street protests against corruption and mis-governance in India. Cap=Gandhi, fasting=Gandhism? Equally, while exercising the freedom to protest, there is a danger of undermining the very constitutional processes that have protected these freedoms.

Actually, the contrast could not be starker between the original Gandhi and his self-proclaimed heirs of today. Gandhi did not fast to fan anger and didn’t seek to bring pressure on the government. His political fasts always had a very specific message for his followers. He did not need to fast on a public platform. Yet his political fasts carried the message, strongly, succinctly, and widely, inspiring millions. Gandhi’s self-denial was an occasion for introspection, and bringing the spotlight on the issue at hand. This is why almost on every occasion he was willing and able to compromise and carry his critics along.

There is no doubt about the angst in society today. A large section of the populace has been both victim as well as participant in the prevailing corrupt environment, governance failure and economic mismanagement. The lack of credible political leadership at the moment has created a vacuum, and it is this space that civil society activists like Anna Hazare has filled. However, good intentions are not sufficient to cure all ills. It is much easier to join a popular campaign, rather than doing the requisite hard work to understand the underlying causes.

As for the coverage in the mass media, the 24/7 news media have their own interests in stoking the fire in pursuit of the drama, and hardly have the time and space necessary for a dispassionate discourse on any issue.

Mass movement

Gandhi taught the world the power of Satyagraha, peaceful civil disobedience, as he led India's struggle against British rule. He gave a completely new meaning to the concept of fasting, by turning the traditional Indian ritual into a powerful political tool. The fasting symbolised Gandhi’s own conviction and reflected his confidence in his followers. Gandhi was a leader who expected his friends and followers to rise to the high standards that he set. Today, political leadership primarily consists of pandering to the lowest common denominator.

Gandhi initiated fasts on a number of occasions throughout his long public life.
However, he was anything but inflexible. On February 4, 1922, police fired on a procession of protestors near Gorakhpur. A rampaging mob then set fire to the police station in Chauri Chaura, killing more than 20 policemen. Gandhi called off the agitation despite objections from his colleagues in the Congress Party. He felt that his followers had not yet grasped the essence of non-violence and therefore, were not ready to undertake satyagraha.

Fast essentials
In 1932, Gandhi started his politically most controversial fast while in jail, in Pune. The British government had accepted a proposal for separate electorate for lower caste sections of the population, following a demand from Dr B. R. Ambedkar. Gandhi went on a fast against this proposal. He was not fasting against the British government but wanted Ambedkar to withdraw that demand, and not divide the Indian Hindu population on caste lines. After days of negotiations, a compromise was reached, and it was agreed that rather than a separate electorate, a certain number of seats in the assembly would be reserved for the lower caste sections, in order to facilitate their political participation.

Ambedkar was not very happy with the Poona Pact but he accepted the compromise because he felt that if something were to happen to Gandhi, he and the lower caste population would be blamed, and that would put at risk whatever little progress was being made in the matter.

Gandhi performed his biggest miracle in September 1947. He went on a fast in Calcutta, in an ordinary house in a Muslim locality in the city. He said he did not want to see the destruction of the ideals he had tried to strive for all his life. Gandhi declared that unless the violence ended, he would prefer to die. As the word of his fast spread, citizens and leaders began to come out, calling for peace. In three days, the 78-year-old Gandhi was able to calm the religious frenzy and the mob violence ebbed.

Today, the protestors claim to believe in constitutional democracy but do not seem to believe in the legitimacy of the elected Members of Parliament. They claim to represent the angst of the masses against corruption but feel that the same masses are gullible and would never elect ‘honest’ people to office. They claim to be followers of Gandhian ideals... yet one of the most talked about Anna Hazare legends is of him tying up village drunkards to a tree and whipping them with a belt!

While exercising the freedom to protest, there is a danger of undermining the very constitutional processes that have protected these freedoms.

Changing course
For those who want to uphold Gandhian values and fight corruption, it would be worthwhile to ponder if their target should be the elected government of the day, or if, like Gandhi, they could inspire people to eschew the giving and taking of bribes.

The anti-corruption campaigners want to create a strong and independent institution of Lok Pal, combining the roles of policing, investigation and prosecution, all in one. They may be looking for a Superman who could easily turn into Monster Man.

Caught in the middle of the anti-corruption battle, today’s crusaders seems to have forgotten that corruption is not merely a consequence of moral frailty but an outcome of policies that sanction state patronage, bestow favours, and distort normal economic functions.

Institutions matter. But in their zeal to end corruption, the campaigners are attempting to de-legitimise the only institution which the people are able to hold accountable – the Parliament. Most other sections of society, be it family, business or non-profit
organisations, do not have such a regular and periodic turnover of leadership, as is the case with the elected representatives. For good or ill, barely half of the sitting legislators have a reasonable prospect of getting re-elected.

In the current turbulent times, it would be useful to remember what Ambedkar, the Chairman of the Committee which drafted the Constitution, said in the Constituent Assembly, in 1949:

*If we wish to maintain democracy not merely in form, but also in fact, what must we do? The first thing in my judgment we must do is to hold fast to constitutional methods of achieving our social and economic objectives. It means we must abandon the bloody methods of revolution.*

In the name of Gandhi, one should not throw his values and constitutional methods out of the window. It is good that Gandhi is back in the public memory. If this provides us with an opportunity to try and understand him, it will be even better.

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quality education to the Indian child, one that is relevant to the 21st century. The alternative predatory education system is the proliferation of private colleges and educational institutions run by the local political-bureaucratic nexus.

*Aarakshan* exposes the venality and corruption that is rampant in education today and if this is not addressed in its most holistic manner, then the millions of young Indians who will be uneducated and hence unemployable over the next 15 years will become an internal security threat. The recent London riots and looting will be a picnic by comparison.

But regrettably instead of focusing on these more serious issues, our legislators and the vested interests who manipulate India have other priorities. For instance seeking to change the law to allow red beacons – or the coveted ‘lal batti’ to be fitted on their cars. Some Indians are clearly more ‘equal’ than their fellow citizens and hence determined to protect their ‘freedom’ while denying it to others.

(A version of this comment first appeared in Hindi in the *Dainik Jagran* on August 14, 2011.)
It is hard to sympathise with the United Progressive Alliance’s (UPA) open discomfiture with the anti-corruption movement launched by Anna Hazare and his followers. UPA ministers allege that Mr. Hazare’s movement is supplanting the authority of the Parliament by insisting that India’s lawmakers must pass his version of the Lokpal bill and thereby create a super-regulator unencumbered by constitutional constraints in his purported war against corruption. However, the National Advisory Council (NAC) manned by unelected apparatchiks has often worked at cross-purposes with the UPA government. Backed by the all-powerful Sonia Gandhi, NAC has frequently prevailed and pushed policies—from employment guarantee to health reforms—which not only militate against the basic notions of fiscal sanity but clearly undermine the constitutional legitimacy and authority of the government, and its putative leader, Dr. Manomohan Singh.

Nor is corruption an issue which can be dismissed in an off-hand manner. Recent headlines have been dominated by large scams while the much-wooed aam aadmi continues to suffer from the day-to-day depredations and corruptions of the local police, municipal authorities and the laggardly court system. While it is true that some of the prime suspects in major scams—from Suresh Kalmadi to A. Raja—are currently languishing in jail, it is equally undeniable that if history is any guide, these leaders are unlikely to be punished by...
the judicial system or, for that matter, by the people's court.

Therefore, it is tempting to look at Mr. Hazare and his band of followers as committed and selfless activists who are forcing a much-needed national conversation on corruption. He certainly deserves credit for articulating the frustrations of the average Indian who feels disenfranchised by the political system. His personal probity is undoubted and he does not appear to be batting for any political formation. The government’s handling of Mr. Hazare’s agitation has been particularly poor and some of the attacks launched by senior Congress leaders have been vitriolic and highly personal. A populist agitation which reverberates with large sections of Indian society has only been further inflamed by needlessly provocative government actions.

Nevertheless, the methods adopted by Mr. Hazare must give pause to every Indian who retains faith in India’s constitutional democracy. As many other commentators have enumerated, his so-called Jan Lokpal bill itself suffers from many lacunae and is hardly the panacea to the ills of corruption. Worse, it appears to violate the constitutionally mandated division of power between different pillars of the state. In any case, no single body—howsoever constitutionally well-protected—can single-handedly tackle corruption which pervades virtually every aspect of Indian society.

But forget what may be wrong with Mr. Hazare’s bill for a moment. After all, the government’s proposed Lokpal bill is hardly perfect in itself and suffers from serious deficiencies which may severely handicap its functioning. What is truly troubling though is Mr. Hazare’s reliance on blatantly unconstitutional means to push forward his legislation. Instead of attempting to reform the system, he has harnessed populist disgust and attempted to hijack the entire political process. What is particularly offensive is his gimmickry resort to repeated bouts of fasting.

Mr. Hazare claims to be a Gandhian and it is quite true that Mr. Gandhi did quite cleverly utilise the moral power of hunger-strikes. However, adopting coercive tools—whether moral or military—against an imperialist government is entirely different from attempting to hold hostage a constitutionally elected one. And despite the overheated rhetoric and charged emotions, India is far removed from the black days of Emergency. India is a constitutional democracy where the right to protest is available to all her citizens. An Egypt or Tunisia she certainly is not. To talk in terms of revolutions or to draw parallels with “Arab Spring” is naively dangerous.

Furthermore, civil society is a word much bandied about these days. What is civil society? Who are its representatives? Mr. Hazare and his followers have attempted to monopolise the space for civil society but are they its only faces or voices? At least India’s parliamentarians face repeated electoral scrutiny; but here those who claim to wield moral power are essentially unaccountable.

In an ideal world, elections in a democracy are meant to be a contestation of ideas and policies. A facile answer to Mr. Hazare’s agitation would be to advise him to form a new political party and fight elections on an anti-corruption platform. Such a party, however, is unlikely to achieve significant electoral success—indeed, many of his middle class supporters may not even bother to turn up to vote. Well, in that case it might just mean that despite the protestations to the contrary, the vast majority of Indians truly care very little about corruption and are resigned to
the status quo. That may be unfortunate but that’s how representative democracy functions—it does not always promote the best ideas or the most optimal policies.

Or perhaps the middle class India does care about corruption but simply feels that the current power brokers are so entrenched that reforming the system by engaging in the political process is well nigh impossible. That itself is troubling—when people feel disenfranchised by the political process, they are more likely to take recourse in extra-constitutional means. That explains to a large extent the popularity of Mr. Hazare’s movement among some sections of Indian society. How to restore the belief in the political process as an accessible agent for genuine change is a question which should exercise all Indians.

Fighting elections is certainly not the only way to influence public policy in a democratic setup. A genuine criticism of Mr. Hazare is that he has largely dismissed the pillars of Indian democracy as a ‘waste of time.’ Nevertheless, it is important to explore ways in which citizen engagement with representative institutions can be furthered. Perhaps, it may require strengthening laws like the Right to Information Act or open public hearings of parliamentary committee meetings or even institutional ways to facilitate the participation of policy and representative bodies in the law-making process.

The relative success of Mr. Hazare’s agitation should serve as a clarion call for the Indian political system. Clearly, it is important to regain the trust of those who no longer feel vested in the Indian polity. Nevertheless, the government cannot accede to his demands or let him ride roughshod over a duly elected parliament. The consequences of such acquiescence for Indian democracy would be very troubling. And for those who see no way other than such unconstitutional gimmicks, the past record of such agitations should serve as a cautionary tale. Whether it is Jai Prakash Narayan’s “total revolution” or V.P Singh’s anti-corruption movement, they achieved little except further increasing the disillusionment with the political process by promising instant change. Indeed, Mr. Hazare’s repeated fasts and agitations have achieved few systemic reforms in his own home state of Maharashtra.

Hazare’s repeated fasts have achieved little systemic reforms in his home state of Maharashtra

The process of change in a democracy is necessarily slow, difficult and challenging. There are no instant solutions and adopting constitutional means and respecting the political process is the only way to achieve sustainable change. The goal of eradicating corruption may be worthy but Anna Hazare’s means are blatantly wrong and ultimately dangerous. It is time this message is delivered to him: loud and clear.
The government has published the draft National Land Acquisition and Rehabilitation and Resettlement Bill for public discussion and feedback. The Bill will replace the Land Acquisition Act, 1894.

Land acquisition refers to forcible takeover of land from its owner; this is different from land purchase which implies a willing seller. The Land Acquisition Act, 1894 as well as several state level laws govern this process. In 2007, the government introduced a Bill to amend the 1894 Act. It also introduced the Rehabilitation and Resettlement Bill to provide statutory rights to people affected by land acquisition. Both these Bills lapsed in 2009. The 2011 draft Bill combines the two objectives, with several modifications.

Let us look at three important elements related to any law on land acquisition. First, what are the purposes for which involuntary acquisition may be made. Second, what should be the compensation paid to land holders. Third, how are the interests of the wider community in that area safeguarded.

**Purpose**

It is generally accepted that the government may exercise the power of acquisition only if it serves a wider public purpose. However, public purpose can be defined widely. For example, it is clear that roads, highways, water pipelines, railways, defence, police stations etc. are public goods. When we move to other items, it is difficult to draw a strict line. Is a power plant a public good? What if it is privately owned? What about an industry that generates jobs? Should ownership matter, i.e., would one distinguish between a public sector steel plant and a privately owned one? What about urban redevelopment?

The 1894 Act is open to wide interpretation. It defines public purpose as land for village sites, town or rural planning, residences for poor and displaced persons, planned development, government schemes for education, health and slum clearance, land for a public office, and for land needed by a state corporation. It also permits acquisition for a private company if it is for a public purpose, or “likely to prove useful to the public”. The 2007 amendment narrowed this list to three specific purposes: strategic defence use, infrastructure, and for a company if it has purchased 70 percent of the required land through private purchase. The 70 percent criterion was included to ensure that availability of contiguous land is not held back by a minority of land holders.

The draft 2011 Bill has a different list. It defines public purpose as (a) defence, police and safety of the people, (b) infrastructure, industrialisation and urbanisation projects of the government where the benefits largely accrue to the general public, (c) village and urban sites, residences for the poor, government schemes for education and health, (d) other projects including those for private companies, where 80 percent of the affected people have given consent, and (e) residences for the poor and people displaced by natural calamities or due to government schemes.

It can be seen that there are clearly significant differences from the earlier formulations. The government continues...
to have the power to acquire land for most of its projects. This will include industrialisation and urbanisation, so the state land development authorities and industrial development corporations can continue to acquire land. However, for private companies, the requirement is now 80 percent of the affected people, a change from 70 percent of land area. The definition of project affected family included the land owners, landless labourers and artisans whose primary source of livelihood is affected, tribals and traditional forest dwellers, and any other individuals assigned land by the government. This opens up a scenario in which most farmers (say, 95 percent) in an area are willing to sell their land but the project can be stalled unless 80 percent of the labourers (who could even be inter-state migrant labour) agree to the scheme.

Compensation

The 1894 Act states that the current fair market value of the land (and all standing crops, buildings etc.) should be paid as compensation, with a premium of 30 percent to compensate for the compulsory nature of the acquisition. It specifies that the current land use (and not the intended use) be the guiding factor in determining compensation. The 2007 Bill amended this to use the intended land use. The draft Bill goes back to the earlier formulation. It however changes the method of calculating the fair value. It states that the value should be multiplied three times in rural areas (presumably to compensate for the under-reporting of land prices in sale deeds). It further gives a 100 percent premium for the compulsory nature. Thus, rural land is acquired at six times and urban land at twice the price of recent transactions.

Usually, land prices rise by a multiple if the land use is changed for a commercial venture. The question is who should get the benefit of this windfall: the original owner (as he has been invested in the land), the project developer (as he has been partly the cause of increase in valuation), or the exchequer (as the windfall is partly caused by the sovereign function of land zoning).

The draft Bill gives the entire benefit to the developer (though there is an increased compensation to the land owner).

Other affected people

The draft Bill requires the acquirer to provide rehabilitation and resettlement to all affected people, including land owners, landless labourers and artisans whose livelihoods are adversely affected. It includes a subsistence allowance of Rs 3,000 per month for 12 months, an inflation-indexed annuity of Rs 24,000 for 20 years, free housing, resettlement and transport allowance (total Rs 1 lakh), and employment or Rs 2 lakh. The acquirer is also required to provide infrastructure facilities in the resettlement area, including schools, health centres, panchayat buildings, post offices, fair price shops etc. Curiously, even a company purchasing land over 100 acres in the free market will have to meet these requirements. Other than gaming possibilities (purchase in smaller lots), this may not fall into Parliament’s lawmakers domain as free land purchases are in the state list of the constitution (unlike acquisition of property which is in the concurrent list).

Conclusion

Land acquisition has been a contentious issue, and there have been several recent cases of unrest following such acquisition across the country. High profile incidents include acquisition for the Tatas in Singur, Posco and Vedanta in Orissa, the nuclear plant in Jaitapur, and the various projects around a highway in Noida. These cases indicate the need for a law that can provide a fair balance between the property rights of the land owner and the wider good of the general public. The new draft Bill provides an opportunity to find such a balance.
Indian Prime Minister Dr. Manmohan Singh’s upcoming visit to Bangladesh is expected to mark a new era in bilateral ties as some long pending issues like ‘border demarcation’ and ‘transit to the seven sister states’ are likely to be resolved.

But has Dr. Singh done his homework? Just over a month ago in a meeting with five newspaper editors, his ‘off-the-record’ comments that “at least 25 per cent of the population of Bangladesh swears by the Jamiat-ul-Islami and they are very anti-Indian, and they are in the clutches, many times, of the ISI,” have hurt many Bangladeshis. He seems grossly uninformed about the present day Bangladesh. There is little appreciation of the steps taken by the current Awami League government to revert to a secular constitution.

In the last elections held in December 2008, Jamaat-e-Islami (Dr. Singh got the name wrong) received only 4 percent of votes and won less than 1 percent of seats in the parliament. Moreover, many Jamaat leaders are behind bars now as they are under trial for their crimes against humanity in the 1971 liberation war of Bangladesh. Dr. Singh’s 25 percent prediction is far off the mark and is actually adding to the apprehension among a growing number of politically aware Bangladeshis about India.

Dr. Singh seems to have little idea what really irks Bangladeshis about India. In his remarks, he did not pay heed to the considerable number of extra-judicial killings of Bangladeshis near the international border by India’s Border Security Force each year — an issue which has been flagged by many international human rights agencies. The Tipaimukh barrage issue and the sharing of water of the Teesta and Ganga rivers are hot issues in Bangladesh. Instead of addressing them, Dr. Singh spoke about offering a line of credit of one billion dollars to Bangladesh. This, many believe, is a carrot which is not only relatively expensive, but also comes with the condition that the money will have to be spent on Indian goods and services. Instead of calling it generous, many Bangladeshis are terming it as an expansion of India’s business interests through commercial loans.

Because Dr. Singh’s announcement to visit Bangladesh in early September came after his controversial remarks (which were later removed from the official transcript), it seems more like damage control. It also overshadows the main focus of the tour – to secure the historic Indo-Bangla land pact agreement which will solve the long awaited border demarcation issues and the transit through Bangladesh. This itself should be a landmark achievement for Dr. Singh because it meets India’s long-standing request for overland transit.

The present Awami League government has shown its goodwill to have better ties with India by taking a number of steps, including apprehending ULFA insurgents on Bangladeshi soil and handing them over to India. Historically India has felt comfortable in dealing with the Awami League government. It is unclear whether India is aware that the path of the Awami League government is filled with obstacles. With the growing hunger for energy needed...
India and Bangladesh need to work together as friendly neighbours to solve problems.

Bangladesh recently awarded Indira Gandhi with its highest state honor - Bangladesh Swadhinata Sammanona for her “outstanding contribution” to the country’s independence from Pakistan. She took a bold step to shelter 10 million Bangladeshis in distress, helped Bangladesh gain independence from Pakistan and traveled across the world to mobilise support for Bangladesh. She was successful in sending those 10 million Bangladeshis home with the help of Bangabandhu Sheikh Mujibur Rahman in 1972. In contrast, India is unable to handle some alleged border infiltration issues without letting neighbourly relations rot. India and Bangladesh need to work together as friendly neighbours to solve problems.

India has to do much more in giving importance to Bangladesh and address problems in bolstering the ties between the two countries. It is in India’s interest that Bangladesh remains a friendly neighbour and is not used for terror attacks in India. Both the countries can only benefit if the mutual mistrust is quickly overcome.
SHiliguri 83 km  Dhaka 457 km
Darjiling 166 km  Chittagong 735 km
Kolkata 750 km  Sylhet 803 km
New Delhi 1570 km  Khulna 626 km
Ajmeer 1970 km  Barishal 736 km
Nepal 650 km  Rajshahi 351 km
Bhutan 278 km  Rangpur 138 km
Clearly, Delhi has decided to aggressively engage with Dhaka. The flurry of activity began in early May, with Vice President Hamid Ansari travelling to Dhaka to jointly inaugurate the Indo-Bangladesh celebrations of the 150th birth anniversary of Tagore. In June, Foreign Secretary Nirupama Rao was in Dhaka for talks. In July, there were visits by UPA Chairperson Sonia Gandhi, External Affairs Minister SM Krishna and Home Minister P. Chidambaram. Also in July, Commerce and Industry Minister Anand Sharma travelled to the Bangladesh border with the West Garo Hills district of Meghalaya. His mission: to join his Bangladeshi counterpart in inaugurating a Border Haat for rural trade.

Sonia Gandhi was in Dhaka to accept the highest state award of Bangladesh on behalf of her mother-in-law, Indira Gandhi. By honouring Indira, Dhaka has exposed the hollowness of the criticism, often heard in India, that Dhaka has “forgotten” the role India played in the liberation of Bangladesh. In fact, from the lukewarm coverage that Delhi’s mainstream press gave to the award ceremony, it seemed it was Indians who suffered from amnesia.

Dhaka’s graciousness in honouring Indira was of a piece with the maturity it displayed a few weeks ago when it made light of the PMO’s faux pas in failing to expunge Dr. Manmohan Singh’s off-the-record statement on the extent of anti-Indian sentiment in Bangladesh. The statement had the potential to cause a significant dent in bilateral ties. But Dhaka refused to make an issue of it.

Also boding well for improved bilateral ties was the recent Supreme Court decision to lift its 17-month old stay on limestone mining by French multinational Lafarge in Meghalaya to provide feedstock to its cement plant in Bangladesh. The Indo-Bangladesh operations of Lafarge are a symbol of economic interdependence between the two countries. Lafarge, the global leader in cement, has set up a unique two-nation industrial project across the two sides of the Indo-Bangladesh border in the Meghalaya-Sylhet region. The USD255 million cement plant is located at Chhatak, Bangladesh. Raw material for the plant, comprising limestone and shale, comes from quarries in East Khasi Hills, Meghalaya via a 17-km long belt conveyor.

Certain quarters opposed to the Meghalaya mining project had raised the bogey of environmental damage and taken the matter to the Supreme Court. In February, 2010, the Court had barred limestone mining by Lafarge.

The Government of India made a strong plea for the lifting of the ban, citing international commitments and bilateral relations. The viability of the cement plant in Bangladesh would be threatened if limestone supplies from India were not assured. The decision of the Indian Supreme Court is widely seen as giving a boost to ties with Dhaka, not the least because it ensures that India’s critics in that capital have one thing less to gripe about.

There is an air of expectancy in the two capitals today. It is expected that Dr. Manmohan Singh’s September visit to Dhaka will lead to further cementing of ties. And yet there is no denying that there is also, in both Delhi and Dhaka, a very strong feeling of under-realisation of potential:
“Look at the end of work, contrast; The petty done, the undone vast.” And sadly, it is India that is seen as the laggard in this respect.

In Prime Minister Sheikh Hasina, India has a friend of a kind that it has not had in its neighbourhood in a long time. Under her watch, Bangladesh has ceased to be a safe haven for militants and separatists of all hues fleeing from the law in India’s unsettled Northeast. Given the fact that Delhi has been driven up the wall by an unhelpful, and even hostile, Pakistan in the west, a friendly neighbour in the east should be a strategic goal for India.

Economically, a stable Bangladesh that is willing to exploit the fullest potential of neighbourly interdependence can do wonders for India, especially in its Northeast. Bangladesh is an investment destination whose depths are yet to be plumbed by Indian business. Barring the experience of the Tatas, Indian companies that have ventured there have done very well. Marico is the fastest growing FMCG company in Bangladesh. Marico’s Parachute is the biggest FMCG brand there.

On the other hand, India can and should do a lot more to mitigate the huge trade imbalance between the two countries. Dhaka complains of restricted market access. It cannot understand why Delhi must have a negative list of 480 items for import from Bangladesh. Why must Delhi be so niggardly in increasing the quota of Bangladeshi garments that can be imported duty-free by India? After all, India is assured of quality and price, and Indian businessmen can also gain by making investments in this industry in Bangladesh.

Strategic analysts in Dhaka complain that from a policy perspective, India’s mindspace seems to be almost entirely occupied by its western neighbour. This is odd considering that India shares a longer border with Bangladesh than with Pakistan. Sure, Pakistan is a nuclear power and believes in using terrorism as an instrument of state policy. But equally, Bangladesh can directly or indirectly contribute to both keeping eastern India on the boil and holding it back from speedy economic development.

On the face of it, the spate of high level engagements with Bangladesh in recent months seems to indicate that Delhi’s ostpolitik is finally one of resolving outstanding issues and optimising good relations with Dhaka. But if Delhi’s Dhaka policy is to succeed, it must cease to be seen as the overbearing Big Brother. Influential sections of India’s decision-making apparatus must shed their distrust of Dhaka. Until that happens, policy-making will suffer. Equally important is the need to drive Indian bureaucracy to move expeditiously on all outstanding issues.

On balance, thanks to Prime Minister Sheikh Hasina’s commitment to Indo-Bangla ties and some decisive moves from India’s political leadership, bilateral relations are better today than ever before in recent years and hold the promise of ushering in a new paradigm in regional cooperation.

Dr. Manmohan Singh has spoken in the past of his vision of making borders irrelevant. That was more in the context of India’s western borders. Today, there is an opportunity to actually do so in the East. A trans-border connectivity revolution and turning Bangladesh into a regional transit hub can transform the economies of both Bangladesh and our Northeast. For starters, the two countries can go back to the pre-1965 days when there was free movement of goods and people across international borders through what was then East Pakistan.
As India emerges on the global stage, much has been made of its increasingly influential role in multilateral institutions, especially in the context of its recently won tenure on the UN Security Council (UNSC) as a non-permanent member. Many observers view India’s membership of the Council as a so-called audition for any future role that India might play as a permanent member of the body. This gloss on India’s membership has played directly into debates both in India and abroad on whether an emergent India can be a globally “responsible” power by shouldering the costs of providing global public goods, especially security.

In practice, however, the notion of responsibility as a facet of India’s multilateral policy has generally been interpreted by observers and analysts outside India in two ways, neither of which fully coincides with India’s own conception of its role in the world. Responsibility is viewed either as a test of the India-US relationship, or as the extent to which India can unshackle itself from its traditional foreign policy moorings of non-alignment and obsession with sovereignty. Both views are considered flawed from an Indian perspective, and rightly so. On the first point, there is no meaningful sense in which global responsibilities should require an emergent India to subordinate its own interests to those of the United States. On the second point, the very assumptions of India’s foreign policy moorings are problematic—neither
non-alignment nor sovereignty have ever been inviolable tenets of Indian foreign policy, and to think that India’s recent behavior at the UNSC reflects either strand of thinking is a mistake.

A brief look at four key security issues debated and decided at the UNSC since January 2011—pertaining to Libya, Cote D’Ivoire, Syria and Iran—suggests that India’s decisions were motivated primarily by pragmatic considerations and a wariness of the UN’s rapidly expanding role in civil conflicts around the world, a trend that could potentially undermine both the effectiveness and legitimacy of the organisation. In this sense, the notion of responsibility that India has based its policies on is one that emphasizes deciding each case on its own merits (a clear break from any sort of Cold War era doctrinaire mentality) and considering carefully the practicability of UNSC decisions and their impact on the legitimacy of the body in the international system.

India has been careful in protecting its material and strategic interests when voting at the UN Security Council

The UNSC decision to intervene in Libya was the most important test of India’s multilateral policy at the UN. Faced with pressure from the UK and France, and an increasingly convinced US, India chose to join ranks with China, Russia, Brazil and Germany in abstaining from the resolution to deploy force in order to protect innocent civilian lives. Although the media largely quoted India’s objections on grounds of sovereignty, these concerns played a very small part in the overall case for abstention made by Delhi. India’s official objection in fact placed greater emphasis on two factors: the lack of a clear understanding of the situation on the ground and hence of the potential efficacy of military intervention, and the impact of financial sanctions on the well being of the Libyan people. A third objection, which was omitted by Delhi in the final draft of its statement, highlighted the commercial value of the India-Libya relationship and the adverse impact that military intervention might have on it. An important subtext of the Indian decision was the implication of support for military action in Libya on India’s relations with the Arab world in general, and with its own large Muslim population. Moreover, as both Kanti Bajpai and C. Raja Mohan have separately argued, given China’s increasing influence in the developing world and Beijing’s own abstention, India could not be seen to uncritically support Western intervention in a developing country against the consent of that country’s government.

The case of Cote d’Ivoire was at once more straightforward and more complex for India. Occurring around the same time as the decision on Libya, the issue at hand was whether the UNSC should intervene on behalf of an election candidate that many external (including regional) observers had declared to be the real winner, while the incumbent resorted to military force to suppress opposition and remain in power. India’s initial opposition to UN intervention was centred on the need for impartiality in peacekeeping operations, which should ideally focus on protecting civilians and compelling both sides to abjure the use of force in settling the dispute in question. Eventually voting in favour of intervention, India argued that peacekeepers “cannot be made instruments of regime change,” a statement that sat well with its abstention in the Libyan case. Once again, the primary consideration was that of the efficacy and legitimacy of an operation that clearly picked a side in an ongoing civil conflict in a developing country.

In the case of the emerging and ongoing crisis in Syria, India has taken a cautious approach, emphasising the importance of finding domestic solutions before contemplating any UN-sanctioned resort to force. In April 2011, as the situation in Syria
deteriorated, India continued to stress the lack of reliable information regarding events on the ground, in particular regarding the identity of the perpetrators of atrocities. In addition, Delhi focused on the need for domestic stability while searching for domestic political solutions to Syria’s internal problems. In August, India, Brazil and South Africa sent a three-person delegation to Damascus to meet with President Assad and his foreign minister in the hopes of arriving at a negotiated solution to the crisis. Meanwhile, responding to India’s call for more information on the humanitarian crisis in Syria, the UN High Commissioner for Human Rights, Navi Pillay, released a detailed report on violations by Assad’s government that hinted at the possibility of crimes against humanity. As India took on the Presidency of the UNSC for the month of August—for the first time in 19 years—the Indian representative Hardeep Puri expressed the desire to bring an end to hostilities in Syria, as well as to implement a ceasefire in Libya. Mr. Puri’s statement on Syria was necessarily ambiguous, given increasing US pressure on India and China to support intervention in Syria.

Finally, on Iran, Delhi has walked a tense tightrope between the need to maintain its own material interests and bilateral relations with Tehran, and the need to at least meet the United States and other Western powers halfway on the Iranian nuclear issue, which is indeed a serious concern for Delhi in its own right. Since 2006, India has displayed remarkable alacrity in managing both sides of this equation. On the one hand, Delhi has consistently voted against Iranian interests at the International Atomic Energy Agency (IAEA) and at the UNSC. On the other hand, Delhi has done its best to reaffirm to Tehran the importance of their bilateral relationship and to keep channels of economic and cultural contact open. The recent controversy over oil payments owed by India to Iran is a case in point. India complied with UNSC sanctions and US pressure against the use of the Asian Clearing Union currency swap system of oil payments to Iran, while at the same time looking for creative alternatives to ensure the continued flow of oil from Iran, India’s second largest supplier. Although the impasse took six months to resolve, during which time Indian companies sought alternative supplies in Saudi Arabia (a politically contentious decision but much less so from an economic standpoint) and Tehran threatened to cut off supplies, Delhi was eventually able to pay off a large amount of its oil debt and at the time of writing Iran had issued a statement assuring India of continued supply.

India’s counsel at the UNSC has been one of caution. In each of the cases discussed here, India has sought to achieve a delicate balance between its own strategic interests and the increasingly interventionist role of the UNSC in international politics. Moreover, in keeping with earlier calls by Delhi for UNSC reform, India has taken pains to reiterate the need for greater information and consultation in the decision-making processes of the Council. In its March 2011 statement on the Cote d’Ivoire vote in the UNSC, the Indian representative clearly expressed dissatisfaction with “the tendency to hurry the process of adopting resolutions.” On balance, therefore, India’s behavior at the UNSC so far has been motivated far more by concerns of strategic interest, organizational effectiveness and legitimacy than any naïve considerations of the India-US relationship, non-alignment, or sovereignty.

India’s counsel at the UNSC has been one of caution. In this sense, it has acquitted itself rather admirably as a responsible global player, advocating against ill-prepared interventions in the developing world (Libya) and attempting to uphold the credibility of the UN as an impartial agent of conflict resolution (Cote d’Ivoire). Whenever possible, India has viewed military intervention as an option of last resort, to be employed when all potential domestic avenues have been exhausted (Syria). And finally, just as any other nation
in international politics would do, India has been careful to protect its own material and strategic interests when voting at the UNSC (Iran, Libya).

What, then, does India’s approach to multilateralism mean for its longer term interests? Sumit Ganguly has articulated two strong critiques of this approach—first, by acting irresponsibly, India risks jeopardizing its strategic interests vis-à-vis its growing partnership with the United States; second, India pays too high a moral price for its inaction in cases of clear humanitarian crisis. On the first point, it is worth noting, as Srinath Raghavan has recently argued, that India’s relationship with the US is more a partnership than an alliance or a relationship of subordination. Moreover, while short-term differences may continue to create hurdles, the long term trajectory of the partnership remains healthy and in fact better off for being predicated on a shared understanding of divergent interests. On the second point, one must remember that abstention does not amount to opposition. In the Libyan case, the Western powers were able to carry the day with the support of the League of Arab States and the African Union. If India’s role had been one of a swing voter, perhaps its decision might have been different. More importantly, India has been careful not to lose sight of the “human protection” aspect of contemporary UN activity—Delhi’s critiques of intervention have focused on efficacy rather than desirability.

Contrary to many criticisms of India’s actions at the UNSC so far, one can find clear traces of a well thought out approach to crises as they arise, and a focus on procedural clarity and organizational effectiveness that behooves a rising power wishing to act responsibly on the global stage. Most importantly, in a world where the notion of global responsibility is changing rather rapidly, India’s policy of prudence and caution will ensure that it does not over-extend itself globally while trying to manage daunting challenges at home.
INDIAN GROWTH STORY IS A CASE OF TRICKLE UP NOT TRICKLE DOWN

SS Aiyar reviews India growth story since 1991 (The Elephant That Became a Tiger: 20 Years of Economic Reform in India). He points that when reforms began, critics had claimed that India would suffer a “lost decade” of growth as it was following the World Bank-IMF growth model of liberalisation. They warned that multinationals would crush Indian companies, while fiscal stringency would strangle social spending and safety nets. All of these predictions proved wrong with India growing at 8.5% and many Indian businesses more becoming multinationals themselves. However, India continues to be hampered by poor business conditions and misgovernance. Both governance and economic reforms are needed, but progress on the former lags far behind, is thus more urgent, and can help sustain and promote economic reform.

The surprise is his contention that India’s growth is a case of trickle up and not trickle down. He says that a growth rate of 8.5 percent in India is possible only if the bulk of the population improves its productivity. This fast growth of poor states trickled up to create record GDP growth at the national level. India is mainly a case of trickle up, not trickle down, though fast national growth also produced more revenue that was shared with the states.

If India was indeed a trickle up story, why does government need to do so many social programs? What is the need for NREGA, Food Security bill and several other programs. Why are inclusive growth, inclusive finance and inclusive health on the agenda?

COMPARING FISCAL COUNCILS TO CENTRAL BANKS

One oft-repeated suggestion to fix discretionary fiscal policy is to have fiscal councils. These fiscal councils should in turn be structured like modern central banks which are independent and focused on its mandate. The results for central banks in recent years have been very good with credible monetary policy and anchored low inflation expectations. As a result, despite huge monetary easing in the crisis, inflation expectations have remained low partly due to credible central banking. Similar results could be achieved with fiscal policy which has so far been discretionary, time inconsistent and election-dependent.

Simon Wren-Lewis (Comparing the delegation of monetary and fiscal policy) points how fiscal policy is far more complicated and fiscal councils can never be as effective as central banks. He says that time inconsistency which is used for monetary policy does not apply as simply to fiscal policy. The most obvious difference is that monetary policy involves the delegation of decisions, whereas fiscal policy involves delegation of advice and evaluation. There is far more clarity on impact of long term inflation than on debt policy. So fiscal councils end up being just advisory bodies.

The paper also looks at UK’s Fiscal Council which is charged with producing the official forecast on which budgetary decisions are based. It is unclear whether it can do this while retaining its independence. It would therefore seem sensible to allow Fiscal Councils to comment on what appropriate
intermediate targets for policy should be (as some already do), particularly as this may enhance their perceived credibility and independence.

**WHAT DETERMINES YIELDS OF INDIA’S STATE GOVERNMENT BONDS?**

Like the Centre, India’s states have also been meeting its deficits via bond market (called State Development Loan Bonds or SDLs) through auctions in 2006-07. A trio of RBI economists, look at the factors (Determinants of Primary Yield Spreads of States in India: An Econometric Analysis) which determine state bond yields.

The paper looks at two broad questions: What is the spread between Centre and State Government bonds? And what determines movement in state bond yields?

For first, the spread varies depending on the business cycle and conditions. During 2008-09, which was characterised by higher interest rates, the spread was moderate (122 bps). However in 2009-10, when interest rate regime was easier, the spread remained high at 86 bps. During 2010-11, when rates have again increased the bond spreads have not firmed up (45 bps). The pattern of past auctions shows that accessing the market at a right time with right size of issuance yields a right price to the SDLs.

On what leads to movements in these bonds, results are surprising. The key deficit indicators do not seem to explain the yield spreads across States. The analysis lends some support to the argument that the States with higher debts pay higher yields as compared with other States. Similarly, there is also evidence that Central transfers to the States help them to raise borrowings at lower spreads.

**FORMAL VS INFORMAL INSTITUTIONS: CASE OF TRADE BETWEEN NORTH KOREA AND CHINA**

This is a fascinating paper (Integration in the Absence of Institutions: China-North Korea Cross-Border Exchange) by STEPHAN HAGGARD, JENNIFER LEE, and MARCUS NOLAND. Some economists have shown how commerce prospered in earlier times in absence of formal institutions. So we need not bother having formal institutions if informal ones do the job.

This paper reviews this role of informal institutions debate in a natural experiment setting—trade between North Korea and China. Few Chinese firms trade with North Korea in absence of formal institutions. The paper conducts a survey amidst such Chinese firms and finds Chinese appraisals of the North Korean business environment are generally negative and manifest fear of expropriation of investments made in North Korea. Moreover, they always complain and are wary of ever-changing regulations in North Korea. As a result Chinese firms are smaller in size and limit themselves to trading. Chinese are also not happy with the current system and would prefer more formal systems.

So, the lesson is that informal institutions work only for a limited scale. Firms need proper systems to grow.
If there is one national termite that has been eating up Pakistan’s physiology and neurology, it is its purported ‘ideology’. After more than six decades of existence, Pakistan is still defending its genesis and going to-and-fro on the cause-effect tree. Graduating a ‘community’ into a ‘nation’ has not been without consequences, and is now affecting affecting its own existence.

The origin of the idea of Pakistan stands as obliterated in the subcontinent, as is Pakistan’s identity. The most prominent narrative in both countries has been that Indian partition was based on a simplistic ‘Two-Nation Theory’ (that Muslims and Hindus are two essentially distinct ‘nations’ and thus cannot live together). In India, the narrative turns negative, interpreting communalism and Muslim separatism as the raison d’etre of Pakistan. In Pakistan, it becomes the root of jingoist patriotism, hatred of India and religious fundamentalism with a burgeoning political commitment to further theocratise the state. In India, in contrast, the birth of a country based on ‘communal’ considerations continues to be unacceptable to a more secular public. The two narratives remain unchallenged even by the peaceniks; peaceniks who otherwise bear the brunt of popular ridicule for denying harsh realities while trying to find solutions in hollow emotionalism.

Both the narratives seem to simplify the complex political power-play that shaped the events leading to the partition of India.
They also miss a tragic flow of events and ideas that started much earlier than the Lahore Resolution of 1940, which is thought to be the basis for creation of Pakistan.

The ‘ideology of Pakistan’ as scripted by the state, emphasises cultural and religious difference between Hindus and Muslims, and hence their inability to live together. The Indian discourse about the genesis of Pakistan doesn’t seem to be any different. The majority of notable authors, from Kishori Lal to M J Akbar, put the blame of Pakistan’s current problems on its communal origins. The narrative misses significant political developments post 1857 that pitched the two communities against each other to the point of no return by 1940s.

For many in Pakistan, their country was born the day Ibn-e-Qasim set his foot on Indian soil. This makes a religious hero out of any invader, aggressor, trespasser and intruder if he was a Muslim. Ghauri, Ghazni, Al-Afghani and various others fall in this category, thus undermining the motherland in favour of an apostolic cause—conquest of territories as divine right. The passion is too conspicuous to miss in today’s Pakistan where terrorist groups from every nook and corner of the world can seek shelter for the cause of Islamic conquest of the world.

There is no denying the fact that any differences of religion or civilisation, however big they might be, should not have been made the basis for tearing the ‘watan’ (homeland) apart. Equally noteworthy is the fact that from Mauryas to Mughals, Indian land had had varying delimitations of different territories, loosely forming the umbrella—India. Aitzaz Ahsan, in his *The Indus Saga and the Making of Pakistan* gives a new meaning to the separation of the Indus and the Ganges. His thesis snatches the space from the religious discourse while attempting to ground the idea in centuries of human experience rather than vagaries of holy mission of conquest of ‘Hind’. The view probably borrowed by earlier work of REM Wheeler, *Five Thousand Years of Pakistan*. The crux of Mr Ahsan’s study was the inherent difference between the Indus valley and the Ganges civilisations, which he argues, bound all the people living northwest of the Gurdaspur-Kathiwar salient, as one, irrespective of their religion. The southern side of this cultural border constitutes Mr Ahsan’s Ganges man, who considers every intruder from the south or from the central Asia as an invader rather than a hero. He identifies his Indus man more with the Central Asian culture than the Ganges civilisation—a more ‘Indian’ civilisation.

The political brokering since the early twentieth century which formed the basis on which India was partitioned, had combined the tagging of political survival based on parity and ego of the Muslim elite who used Islam as a motivational factor. During these years, no political roadmap, blueprint of the state or an ideology was presented for public purview that could determine the future state and its postulates.

Keeping the confusion and ambiguity about the nature of the state he demanded, Jinnah was able to not only mobilise mass support using a religious tag, but he also succeeded in having an edge over the Indian National Congress on the negotiating table, almost every significant time after 1940. The Congress’s acceptance of Cabinet Mission Plan was, however, a blow to the politics Jinnah was playing. Without being serious—K K Aziz quotes at least two instances where Jinnah confesses that he had used the demand for a hypothetical state just as a negotiation tool—about the Pakistan proposal and being mindful of the consequences of this kind of politics, Jinnah kept on treading wherever the flow
of politics took him, with of course his hand firmly placed on the control panel, which the Congress seemed to misread.

Muslims of united India had by mid-1940s become extremely confused about the nature and justification of ‘Pakistan’. Those in the Muslim minority provinces had been main wielders of the idea of ‘save Muslims’ through resolving existential concerns like greater political rights, greater shares in power-sharing formulae and increased job quotas. The ever-evolving idea of Pakistan changed the locus of separatist politics from minority to Muslim-majority provinces. Those already in the majority became incomprehensibly confused about the need for a separate country when they were already enjoying political, social and economic rights as a majority.

The newborn nation obviously could not survive this scrambled egg of an ideology and soon succumbed to political Islam. The phenomenon of jihad as state policy, though not documented as such, amply defined itself when Pakistan decided to invade Indian Kashmir through the tribal people called ‘mujahiddin’, right under Jinnah’s nose. The Two-Nation Theory became an explosive TNT for Pakistan with the advent of sectarianism in the 1950s and the perpetual subjugation of Bengalis by the state and led to the partition once again in 1971. The ‘Islamic Republic of Pakistan’, in which religious ‘oneness’ was trumpeted disproportionately, could not keep its predominantly Muslim East Pakistan wing intact.

Ideology and political practice designed by Jinnah have put Pakistan at the brink of social and political collapse

The folly called ideology and political practice, designed by Jinnah, have put Pakistan at the brink of social and political collapse. It is high time to correct this historical blunder adopted as ideology and revise the genesis of Pakistan from the puerile haziness of Maududi’s terminology to Wheeler and Ahsan’s vocabulary. The difference, whatever little it might have been, was in the Indus man and the Ganges man, irrespective of their religion. Indus man should look towards Indus, not the deserts of Arabia for cultural refuge. Embracing heritage and rooting it firmly in the Indus soil rather than the air from the Arabian desert is the option that could put Pakistan on its way to international respect and progress. Destruction, otherwise, is impatiently waiting for us.
For years, the debate on Foreign Direct Investment (FDI) in the retail sector has raged on, involving everything from economics, national pride and nostalgia about your friendly neighborhood kirana store. According to estimates quoted in the media, up to 11 percent of employment in the country is employed by domestic retail. That is the second largest sector after agriculture in our country.

Speaking in Parliament, Minister for commerce and industry Anand Sharma said almost 35 million people were employed in retail, both in the agricultural and non-agricultural sectors. The organised sector has a share of only 4 percent in the country’s $590 billion retail industry.

Those resisting the entry of foreign companies such as Walmart, Tesco and Carrefour through majority owned joint ventures argue that this will lead to mass unemployment and ruin the fragile ecology of the Indian rural retail dynamics. To put this in political context, it is the standard ant-globalization, pro-nationalism argument. The evil multinational corporation is going to kick our poor local traders out of business. It is a powerful argument, which resonates politically. People will forget about the lack of freshness of the vegetables they buy, the presence of coloured mineral ore in their rice, wheat and pulses, the lack of guaranteed availability of milk, some assurance that the meat or fish they just bought is good for human consumption and pledge their gold savings to buy onions. After all national pride and aam admi comes first.

Most of us, particularly those of us raised in a village, have and might live with this scenario. Politically, what kind of politicians would want to be siding with Walmart?

The big elephant in the room is wastage. Sadly, hardly anyone talks about it. Pamela Cheema quotes Pradeep Chechani, vice
president, supply chain, Wadawan Retail in her article in the August issue of LOG, India magazine about how the logistics sector in India is welcoming the entry of foreign players. He states he favors foreign investment in retail, “because of the huge wastage in food and groceries. India is the world’s largest producer of fruits and vegetables and we waste about 25 percent of it worth 50,000 crores.”

That is 25 percent of everything we produce. So if a farmer produces 100 bananas, 25 percent is wasted on the way. Add five layers of middle men and tally up the costs. For that single banana, you are paying for inefficient transportation and warehousing, and padding up for costs at each level of trade to make up for wastage. The only losers in this system are you and the farmer. He has to sell because he can’t store and you have to buy because there is no other choice.

Foreign investment in retail will provide much needed investments in our cool chain and storage infrastructure. Have you ever wondered how McDonalds in India never runs out of chicken? The logistics of the firm ensures that all its suppliers, from the farmer up, have to meet its stringent quality standards in storage and transportation.

What about employment? Will FDI in retail lead to loss of jobs? Speaking to the Business Standard (August 7, 2011), retail consultancy firm Technopak Advisors’ managing director, Arvind Singhal, states there would be a requirement of an estimated 25 to 30 million additional people by 2020. Elixir Consulting, a recruitment process outsourcing firm, put the additional manpower requirement in the next 10 years at a modest 12-15 million. Nitin Sethi, practice leader (consultancy), Aon-Hewitt, said, “In 12-24 months, the manpower requirement would be up by 27 to 50 percent.”

There needs to support on the policy front as well. Especially in the much awaited Goods and Services Tax (GST)—this will encourage the growth and development of large temperature controlled warehouses, particularly in central India, which lacks infrastructure. The government is trying to formulate policy to establish a middle ground of sorts. One of the options is to limit the multinationals to towns with more than a million residents; there are about 50 such cities and towns in India now.

25 percent of fruits and vegetables that India produces is lost in transit

The second option is to adopt the Chinese model. Start with six metros and then expand in a phased manner. In all likelihood, this is how the government is going to let it play out. While it will announce an opening up of the sector, it will try to limit the foreign players to the main metros.

As a first step, on July 22, a panel of secretaries led by cabinet secretary AK Seth, cleared the proposal for FDI in multi-brand retail stores. The proposal now goes to the Union Cabinet and rules will then be notified. Only then will we know how the government is going to play this out. Some riders have been set, including minimum investment of $ 100 million with 51 percent investment in backend supply chain. The other criteria is that 30 percent sourcing will have to be from domestic small and medium units.

Whatever the rules set, the focus should be on cutting wastage. There is little benefit in boosting agricultural production if we can’t ensure the infrastructure to transport it in good condition to market.
In recent years, the phenomenon of American “homegrown” jihadis has gained significant public attention. In 2009, the United States experienced more homegrown jihadi terrorist activity than in any year since the 9/11 attacks. There were thirteen such cases in 2009, representing at the time over one-quarter of the publicly reported cases of jihadi radicalisation and recruitment since 9/11. Ten such cases were noted in 2010: though a decline from 2009’s number, this still represented more homegrown jihadi terror cases than the United States had seen in any other year.

Commentators and the public have many questions. How much of a threat do homegrown jihadi terrorists pose? Will this phenomenon continue to grow? What is drawing those who were born and raised in the US to support for militant Islam? Numerous op-eds, television segments, and think tank reports have attempted to provide answers. J M Berger’s Jihad Joe: Americans Who Go to War in the Name of Islam is a worthy contribution to the discussion, a strongly researched book that is unique in comprehensively telling the story of more than thirty years’ worth of Americans who have been drawn to Islamic militancy.

In 1979, armed militants seized Islam’s holiest site, the Grand Mosque in Mecca. Followers of Juhayman al-Otaibi, their ranks included two African-Americans, one of whom died after security services stormed the building. These two men are likely the first known American jihadis.

Though Mr Berger’s Sunni-centric narrative notably skips David Belfield (Dawud Salahuddin), a convert to Islam who assassinated a foe of the new Iranian theocracy at its behest in July 1980, it goes on to explore key global events that shaped the jihadi movement in America. The Afghan-Soviet war was one such event. This conflict sent shockwaves through the Arab world and created the “Afghan Arab” phenomenon—Arab foreign fighters who flocked to the subcontinent to help the Afghan cause.

But Americans also fought the Russians, including Mohammed Zaki and Clement Hampton-El, who was convicted as a conspirator in the New York City landmarks bombing plot that also netted Sheikh Omar Abdel Rahman.

One American, Mohammed Loay Bayazid (also a veteran of the Afghan-Soviet war), was
present at the founding of al Qaeda, and took several pages of notes to memorialise the event. Other Americans were recruited to the organisation in the pre-9/11 days, when few US policymakers and authorities recognised the growing threat.

Ali Mohamed, who relished his role as a spy for al Qaeda while serving as an instructor on the Middle East for the US Army at Fort Bragg, made little effort to disguise his radicalism. He told his superior officer that Egyptian president Anwar Sadat, who had been gunned down by a jihadi militant, “was a traitor and he had to die”; he also boasted of how he spent his leave taking part in jihad in Afghanistan. His superior officer’s eight-page report outlining concerns about Mohamed “disappeared into the black hole of army bureaucracy.” Nor did Mr Mohamed’s proclivities cause alarm when, in a ninety-minute panel discussion for the military, he plainly stated that, as a Muslim, he was obligated to ensure that the abode of Islam would dominate non-Muslim lands.

Similarly, FBI agents who favored an aggressive approach to investigating jihadi activity in the US in the 1980s “were ignored at best and even reprimanded when they persisted.” Hence, surveillance photographs taken in one investigation in Calverton, New Jersey, “were filed away, only to emerge years later—after several of the participants had been implicated in terrorist acts.”

Other events that shaped America’s recruits to jihadism include the war in Bosnia in the 1990s. Foreign mujahideen fighters joined that conflict, and as Mr Berger recounts, the Salafi scholar Abu Ameenah Bilal Philips set about identifying American Muslim soldiers (some of whom he helped convert during the Gulf War) who were close to finishing their military commitment. These veterans, including some who had served in special forces, formed a training brigade. “Most of the trainers apparently left after instructing a small group of (mujahideen),” Berger writes, “but some stayed to fight.”

After the New York World Trade Center was bombed in 1993, and a group centred around Omar Abel Rahman was convicted of conspiring to bomb an array of city landmarks, the jihadi network in the United States had to be rebuilt. There were further changes to its composition following the 9/11 attacks due to a government crackdown, as well as technological developments such as the migration of propaganda from newsletters, handouts and tape recordings to the Internet.

Mr Berger’s voluminous research includes interviews with officials in the US and Bosnia, and with jihadis themselves. He obtained thousands of pages of primary source documents through the US Freedom of Information Act, as well as from the National Archives and the court records of key criminal cases.

A comprehensive story of more than thirty years’ worth of Americans who have been drawn to Islamic militancy.

Jihad Joe does have its shortcomings. Though Mr Berger’s understanding of American jihadis is truly impressive, his understanding of the relevant history and context is sometimes lacking. For example, he attributes the downing of a US Army Black Hawk helicopter in Somalia in 1993 to al Qaeda—something that al Qaeda leaders have claimed, but for which the objective evidence is far from conclusive. Moreover, he writes that following the Ottoman Empire’s conquest of Bosnia-Herzegovina, “Bosnian Jews and Christians were permitted to maintain their practices, resulting in a cosmopolitan mix of religions that worked successfully for centuries.” This casual discussion of the area’s long-term foreign occupation ignores the trauma that Bosnian Serbs felt was inflicted upon them, and thus fails to provide insight into one driver of that conflict. And Mr Berger’s claim that the would-be Times Square bomber Faisal
Shahzad was somehow unique in “steep[ing] himself in theological arguments before turning toward action” doesn’t square with my own research, which suggests this is not so rare.

Nonetheless, Mr Berger deserves at least some credit even in these areas. Unlike many narratives about the conflict in Bosnia, he aspires to balanced discussion; and unlike many of the luminaries that dominate the field of terrorism studies, he does take theological issues seriously.

*Jihad Joe* is a worthy contribution. The book should be read by anybody with an interest in American-born jihadis, and will be looked upon as a key resource by future researchers.
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