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AGRICULTURE

New varieties, old foundations: Small farmers in IPR regime

By Shalini Bhutani

The Indian Council of Agricultural Research (ICAR), which was founded after Independence in 1947, was preceded by the Imperial Council of Agricultural Research set up in 1929.

Ironically ICAR celebrated its 83rd foundation day last weekend on July 16, rather than its 64th! The European legacy continues. Our country may have got independence, but our agriculture and our farmers are still struggling for that.

Another foundation of a European idea was literally laid this month. On July 8 the foundation stone of the new office buildings of India's Protection of Plant Varieties and Farmers' Rights Authority (PPV&FRA) was laid in the Pusa Campus of ICAR. More than the buildings, it is intellectual property rights (IPR) that have been institutionalised in agriculture in the country. This in itself manifests the big change in the national agricultural research landscape since the ICAR was first set up.

The history of agriculture in India is believed to go back to 9,000 BC. In fact this is also the history of free exchange of crop varieties amongst farmers. This made possible the many crop innovations on the field. Sharing not only gave free access to diverse planting materials but also allowed for the exchange of know-how, giving the farmers enough to select from for the production of plants with desirable traits.

Such informal breeding of new crop varieties is the foundation on which

formal research has been built. And in fact national and global gene banks would not have been filled with traditional varieties for free, if farmers had refused to share the crops they have developed.

Yet small farmers have never asked for IPR for their innovation. But formal breeders in developed countries did! In Europe, in the '60s they asked for IPR in the form of plant breeder rights. This was to be an exclusive right to sell and produce the new plant variety. The foundation for limiting free sharing was cemented then.

The first laws on plant variety protection (PVP) were passed in European countries—The Netherlands, Germany, etc. in the early '60s. The PVP laws granted breeders control over the planting material. It also gave them the right to make money from the use of 'their' variety for a certain number of years. The first legal instrument for international recognition of 'rights' of breeders was also a Europe-led UPOV – The International Union for the Protection of New Varieties of Plants dated 1961. Its 1991 version as it stands today allows breeders to even claim royalties for the produce harvested from PVP-'protected' varieties, while restricting farmers' rights and researcher access.

Transplanted concept

This European concept was transplanted into India after the World Trade Organisation (WTO). The Indian law—Protection of Plant Varieties and Farmers Rights Act was issued in 2001 and the Authority set up in 2005. While the officialdom takes pains to explain that the Indian version is a unique variety of PVP law in itself. Yet the fact of the matter is, it plants IPR on crops nonetheless. Today professional plant breeders be it in the government research institutions or in private seed corporations are the ones going after PVP-type IPR 'protection.'

The name of the law misleads the lay person and unsuspecting farmers into believing that this law is both about conservation, farmer welfare and benefit sharing. On the occasion of the foundation day of ICAR, the first of the Plant Genome Saviour Awards (2009-2010) were given out

to two local communities. One from Odisha for conserving rice and the other from Karnataka for medicinal plants.

The awards have been instituted by the PPVFRA. While, it is the first official attempt to acknowledge the outstanding contribution of individual farmers and farming communities in conserving agrobiodiversity, it does so in an IPR frame. The law says to these seed keepers: you save and give us, but we ‘develop’ and sell ‘new’ varieties (back to you).

For the farmers’ rights provision in the same law comes with a proviso. It allows them to sell only to the extent that their seed is not branded seed of a variety which has the PVP certificate under the law. The message to farmers is clear, keep out of the formal research and seed markets. And it’s important to recall that when the Government of India through its ministry of agriculture first mooted this Act in the 90s, it did not have any chapter or provisions on Farmers Rights.

That the law allows for ‘farmers varieties’ to be registered is a step to woo them into the IPR system. No amount of award money from the National Gene Fund or citations and shawls will make good for the loss of farmer freedoms when they have to buy PVP-protected seeds to continue to be...farmers.

Awardee communities such as these are the only islands of hope and diversity in a sea of disasters. But the wave of IPR could break into the very foundations of their small farm agriculture.

(The writer works on issues of trade, agriculture and biological diversity)

BOOK REVIEW

HINDU 8.7.11 BOOK REVIEW

Fiscal policy discourse

K. SUBRAMANIAN

PROGRESSIVE FISCAL POLICY IN INDIA: Edited by Praveen Jha; Sage Publications India Pvt. Ltd., B-1/I-1, Mohan Cooperative Industrial Area, Mathura Road, New Delhi-110044. Rs. 895.

The emergence of the financial crisis called into question many of the theories and fetishes held sacrosanct in the pre-crisis era. One fetish was about the relationship between monetary and fiscal policies.

Monetarism held sway and the central bankers were certain they had the tools good enough to combat inflation. In this game, fiscal policy had no role and the government was expected to keep its budget in balance and not play spoilsport by running into huge fiscal deficits. Indeed, there is no need for public intervention and free market would do it all. Public interventions especially through budget deficits and debt creation were honorifically referred to as “financial crowding out.”

These notions read like fairy tales now. Monetarism has lost its much vaunted supremacy and is rudderless. In the United States, the Federal Reserve is sitting with the Treasury and evolving stimulus programmes. The International Monetary Fund has recanted its older ideologies and is churning out documents on all aspects of ‘stimuli’ as well as exits. There are variants ranging from the U.S. model of bank bailouts (\$700 billion) to the Chinese way of pumping in money (\$586 billion) to promote new investment. There is no global coordination and each country followed the stimulus programme suited to its resources and national compulsions.

Policy capture

It was a pro-market strategy that marginalised the role of the state. The rise of finance capitalism led to what Venugopala Reddy, D.N. Ghosh and other analysts describe as “policy capture” by the financial conglomerates. In due course, it was subsumed under the ‘Washington Consensus’ and embedded in the lending policies of the IMF and the World Bank as conditionalities.

The book under review, which is the outcome of a conference held in 2008, traces the shift in fiscal policies in the post-reform years and describes how it was influenced by the neoliberal policy discourse mentioned earlier. It provides a macro analysis, while some of the papers examine the income trends set off by a regressive fiscal policy. The role of the Finance Commissions and the impact of their recommendations on fiscal federalism are discussed. Understandably, the Fiscal Responsibility and Budget Management (FRBM) Act and its impact come in for serious discussion. The message that emerged from the 2008 conclave was that “all progressive forces should engage to influence the state in order to ensure that opportunities for decent livelihood options and basic minimum services such as primary education and health care are provided to all.” It made out a case for progressive fiscal policies accountable to the people.

In his article, Prabhat Patnaik, while setting the Indian scene in the global context, dismisses the theories of “crowding out” as “humbug finance”, drawing support from Joan Robinson. He was far-sighted in suggesting that a coordinated fiscal programme to combat the crisis could have averted protectionism. He felt the strategy seemed to be to “sustain the financial system and wait for the next ‘bubble’ to appear rather than to revive the real economy directly through fiscal stimuli.” How prophetic this proved to be!

Constraint

C.P. Chandrasekhar looks at liberalisation as a constraint on developmental policy. The FRBM Act has restricted the fiscal space considerably and many of the objectives of the 11th Plan will remain unrealised. He goes on to analyse how fiscal contraction is sought to be secured through cuts in expenditure rather than through increase in revenues (taxes.) At the same time, extraordinary concessions in income, corporate, and capital gains taxes are granted, creating greater inequality.

The factors behind income inequality are analysed in depth by S.L. Shetty, who cites massive data to support his reasoning. These include the tax regime, corporate management, and the functioning of the financial system. His caution on the explosion of exotic derivative contracts in the forex market is timely.

While discussing the role of the Finance Commissions, it is argued that the 12th Commission went beyond the constitutional mandate and sought to impose FRBM on the States by making it a condition precedent for financial transfers. The approach of the 13th Finance Commission is similar. It has set 'fiscal consolidation' as a criterion for eligibility. Such practices undermine the concept of fiscal federalism envisaged by the Constitution. The articles on themes such as social sector expenditure, health, and the right to education reveal depressing trends in those critical areas. That they are largely attributable to fiscal contraction is only one part of the story. The other, and no less worrying, part is that inefficiency and poor delivery also contribute to those trends. Since the holding of the conclave (December 2008), there have been major changes both globally and within India. It would have been helpful if these also have been covered. On the whole, this is a mixed bag: some articles are of high quality; some have the 'seminar flavour'.

GOOD GOVERNANCE

Populism costs lives

Like telecom till the other day, Indian Railways has been a gravy train for UPA allies. The wages of the populism this has bred are there for all to see. The accident involving the [Delhi-bound Kalka Mail](#) in UP left around 80 dead and many more injured. The same day, the [Guwahati-Puri Express](#) derailed in Assam, injuring nearly 100. While the latter may be attributed to a terror attack, the fact remains that statistics on recent train accidents make for grim reading. From April 2010 to January 2011 alone, 336 people died and 437 were injured. In 2009-10, 225 people were killed and 385 hurt while 2008-09 saw 209 deaths and 444 injured. The numbers tell the story: passenger safety seems way down on the list of official priorities.

It's perhaps no coincidence that Rail Bhawan was effectively on autopilot when it was under absentee minister [Mamata Banerjee](#). Working primarily out of Kolkata, the Trinamool chief seemed to treat the business of running trains profitably and safely as less politically fruitful than the sops she handed out, especially to Bengal. Her excuse for fiscal imprudence was promotion of "social responsibility". Financially healthy prior to her tenure, the Railways unsurprisingly had near-empty coffers on her departure. Since May 2009, we've seen more and more trains and routes introduced without concern for viability even as passenger fares have remained static, further skewing the balance sheet.

As pointed out in a CAG report, a corporate safety plan for 2003-13 has been poorly implemented in critical areas such as recruitments, modernisation of assets and provision of basic amenities. There's been inexplicable delay filling over one lakh vacancies. Of these, the

overwhelming majority involves safety-related posts, in areas ranging from operations and supplies to electrical and mechanical works. And those holding office are rarely rapped hard for security-related lapses. Moreover, during 2003-07, around Rs 17,000 crore was spent on safety measures, with little to show for it. There's been foot-dragging on installing and upgrading equipment such as signalling instruments, anti-collision devices and warning systems, even though technology can play a critical role in reducing the scope for human error or sabotage-related damage.

Track upkeep is another neglected area. Former railway officials say that the practice of overloading wagons on freight trains is a major cause of damage to already old tracks. This ups the hazards of train travel. Clearly, reform brooks no delay for Indian Railways, a mammoth enterprise that serves as a transport lifeline for millions of people and businesses. With a cabinet rejig coming up, UPA top bosses must ensure that competence, not coalition compulsions, determines who gets the crucial railway portfolio. Populism can't bring the Railways back on track. Only good governance will.

JUDICIARY

Judges judge yourselves

Tavleen Singh

One of the only weeks, in more than twenty years, that this column did not appear in this space was when I wrote a piece some years ago describing the state of Indian courts. There was concern that I had crossed that delicate line between what you can say without being in contempt of court. So, one of this newspaper's lawyers came to see me and explained gently that although what I had written was not technically sub judice, if some judge wanted to see it that way, there could be trouble. The next week I went to meet a senior judge in the Mumbai High Court and ended up doing a piece about the persecution of the judiciary by governments across the country. Courts are starved of funds deliberately which is why they look so shambolic and why magnificent courthouses, built by the British, are falling slowly to pieces.

This week, if I attempt once more to draw attention to the judiciary, it is because an editorial in this newspaper last week has already touched on the subject. It must have been cleared by our lawyers. Besides as a responsible political columnist, I believe it would be irresponsible for me not to point out that the judiciary has of late come dangerously close to taking political sides. And, it has come dangerously close to wandering into the territory of the executive.

The political comments that worried me related to recent judgments on the Uttar Pradesh government's land acquisition policy and the Chhattisgarh government's policy to use special police officers (Salwa Judum) to counter Maoist terror. Let me quote from the two judgments.

On land acquisition. 'In the name of globalisation, you are marginalising the people. Where is there a proliferation of terrorist activities? Because they are pushed to the walls. Why so many people are committing suicide? They are marginalised. You are not taking care of them. Poor men cannot come to the court.' On Salwa Judum. 'People do not take up arms in organised fashion against the might of the State or against fellow human beings without rhyme or reason.'

Let me clarify that I think it is wrong to acquire land from farmers to build shops and apartments for the rich. They must be paid well for their land even if it is acquired for the public good. And, I think the Salwa Judum is a bad idea because it has failed. But, I have met many terrorists in my time and would like to assure the honourable judges that they are rarely wronged farmers. The Maoists, for their part, usually do kill 'without rhyme or reason' because they have a clearly stated plan to impose their ideology on India violently. They are known to blow up bridges, roads and schools because they do not want these things. In both judgments, what we hear from the Supreme Court is a political opinion and this is worrying.

As for wandering into the territory of the executive, there is no better example than the decision by the Supreme Court to set up a task force on black money. On account of the Government of India being in a state of rigor mortis, people like Baba Ramdev have got away with making the ludicrous claim that if Indian black money were brought back from Swiss banks, we would be a rich country. He proffers the fantastical figure of Rs 400,000 lakh crores to back his mad idea. The truth is that there is more black money in India than abroad. It is invested in real estate, sham corporations, jewellery, expensive foreign goods but mostly it goes into funding elections. Even the most corrupt of our politicians needs his black money in India. In any case why should it be easier for the Supreme Court's special task force to find this money than it has

been for the Election Commission or government investigative agencies? And, is finding it not the job of the executive?

If the Supreme Court wants to help, it can do so by ensuring that the justice system works as efficiently as it does in other modern democracies. The questions it needs to answer is why more than 70 per cent of prisoners in Indian jails are under trial and why it will take more than 300 years to clear the backlog in Indian courts. If criminal trials were not endlessly delayed, it would be easier to put corrupt officials and tax evaders in jail and this would automatically bring down levels of corruption. The judiciary would do well to put its own house in order.

The Supreme Court could begin by asking why the ‘poor man’ is denied access to the justice system. And, then ponder over whether it is not because of this that so many young Indians resort to guns and violence.

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MASS MEDIA

Marketing over editorial

Sunanda k datta-Ray

The News of the World was never a serious paper. After Murdoch took over the tabloid, it placed greed for profit over media ethics.

India's position on Kashmir, Pakistan and terrorism would have been loudly trumpeted internationally if only Rupert Murdoch had been given the media opportunities he sought in this country. That's how China won him over so that he sold the *South China Morning Post* and shed BBC television from his Star service.

His *News of the World*, whose last edition appeared on Sunday, was pragmatic even before him. No Indian media magnate is as honestly down-to-earth as a former owner, Lord Riddell, who reflected in 1903 that "if all the other papers on earth rot away, leaving only the NoW for historians to pore over, they may decide, when reading its records of crime, perfidy and lust, that, in our day, it wasn't safe to walk down Fleet Street."

The earthiness of which he was so proud led journalists to dub the paper "Screws of the World" or "News of the Screws." Even then, it had a cash register instead of a soul.

When someone wrote that the NoW was the world's only newspaper to abide by CP Scott's famous "news is sacred, comment is free" dictum, he wasn't complimenting the paper on its lofty moral values. He meant

the NoW had no comment and its only news were reports of court cases about prostitution, doctors who assaulted patients indecently, vicars who abused choirboys, incest, and the like, which had to be accurate to avoid litigation.

The paper was a broadsheet with an awesome circulation of eight million in the 1950s when I first saw it. A passenger brought a copy on board when my boat to England docked at Port Said, then still called the “armpit of Europe,” which was very appropriate. The NoW was excitingly erotic for a 16-year-old from an austere Bengali home. I probably didn’t even know the slang word “screw” (its four-letter synonym was much commoner in Anglo-Indian schools) and certainly didn’t guess the NoW would one day provide occasional dollops of margarine on my bread.

That was four years later. As a reporter on a provincial English weekly I covered the courts and sometimes came upon lurid cases that my paper, with its family readership, wouldn’t publish. “Write it up” the news editor said when a man was accused of raping two stepdaughters, “and we’ll send it to the Screws.” He ran a syndication (called lineage, payment being per printed line) service for the national dailies. My share of the loot from the NoW came to a few shillings. (I got wiser later and much to his annoyance phoned through my own stories to the national papers.)

Hard-boiled modern youth found the 1950s formula tame. Net surfers weren’t satisfied with soft porn court cases. The page three nude Mr Murdoch introduced after acquiring the paper in 1969 (he called it “the biggest steal since the Great Train Robbery”) no longer set young — or old — blood on fire. The memoirs of Christine Keeler, the call girl who rocked Harold Macmillan’s Government, for which the NoW paid £23,000, didn’t seem particularly sinful.

As circulation dwindled from eight to 2.6 million, the paper looked for

ever more exotic ways of titillating jaded tastes. Hence the sting operations, telephone hackings, hush money, bribery and impersonations. The NoW went too far. But I doubt whether the affront to decency alone would have brought about the closure without powerful commercial logic. Mr Murdoch has bigger plans. He has already registered a new paper, *Sun on Sunday*, and hopes (unless the Government intervenes) to buy up British Sky Broadcasting. The NoW was becoming an albatross round his neck.

An ad boycott by major companies like Boots, Mitsubishi and Sainsbury cost the paper at least £400 million. When investors in Murdoch-controlled companies on both sides of the Atlantic started dumping their shares, even BSkyB lost £666 million. Market quotations for the NoW's holding company, News Corp, recovered only after the closure was announced.

As Gavin Astor said of *The Times* which he owned before Mr Murdoch, "Without profits, it can have no prestige." But the profit motive must be balanced with a point of view, which Mr Murdoch didn't have. His Fox News in the US is known for its shrill Right-wing demagoguery. His *Sun* in the UK was staunchly Labour.

One aspect of the NoW that is familiar in India but no less unhealthy for that is the immunity and anonymity of those journalists who hacked, impersonated, bribed, bullied and indulged in other criminal activities. They were a privileged elite, not part of the general reporting team, answerable only to the bosses — or boss.

Ironically, people persist in calling a sleazy sex-obsessed rag quintessentially British. I remember Stafford Somerfield, the editor when the paper still belonged to an old English family, saying on TV in 1968 that "*the News of the World* was as British as roast beef and Yorkshire pudding and should stay that way." It was a dig at the Hungarian origins of Robert Maxwell, the media and publishing baron,

who was bidding for the paper.

Lord Francis Williams, the media commentator, called it “the most traditional of British newspapers.” Now, Mazher Mahmood, the Pakistani-origin reporter who became notorious for masquerading as an Arab sheikh to trap news sources, claims in last Sunday’s “Thank you and Goodbye” edition that the NoW “is simply part of the fabric of this country”. If so, Britain’s is a very tatty fabric indeed.

I suppose once the hoo-ha dies down, the NoW will also be forgotten — another paper that couldn’t match the tempo of the age like *the News Chronicle* in Britain and *The Mail* (Madras) and *Amrita Bazar Patrika* of Kolkata.

But there’s a reassuring message in its passing. Moralists who lament media excessiveness complain of the ineffectiveness of self-discipline, regulatory bodies and the justice system in checking capitalist adventurism. The NoW’s demise suggests that the market mechanism that encourages licence can also punish. Presumably, that also applies to the electronic media which, too, survives on viewers and advertising.

That’s something for proprietors who exalt marketing over editorial to mull over. Meanwhile, Mr Murdoch has visited India more than half a dozen times, talked to Mr Manmohan Singh and Ms Sonia Gandhi, promised to invest \$100 million in regional TV channels and reportedly has his eye on a major newspaper chain here. India might gain a global spokesman if he gets what he wants.

POLITICS AND GOVERNMENT

MLA as PPSC head

Keep politicians off this august body

SINCE the Punjab Public Service Commission makes top state-level appointments, it is essential that its members and Chairman must be above reproach. They may be from any field but must be outstanding in their chosen work and known for unquestionable integrity so that the public in general and candidates seeking jobs in particular have faith in the fairness of selections. The PPSC credibility has got shaken in recent years, particularly after the Ravi Sidhu scandal. The latest controversy over the doctors' recruitment shows it has not come out of the murk yet.

Chief Minister Parkash Singh Badal, who faces elections in eight months, had a chance to refurbish the PPSC and bury its scandalous past. He has missed that opportunity. By handing over the top post of PPSC Chairman to a party MLA from Ludhiana, he has rewarded loyalty but disregarded public expectations. One need not pre-judge Harish Rai Tanda, but there is not much to say in his favour. He is known for little beyond recommending Capt Amarinder Singh's expulsion from the state assembly which was later set aside by the Supreme Court. That was a motivated political act. It shows Dhanda may be good at doing the CM's bidding, but this is not a qualification one looks for in a post as important as this.

The PPSC is not a place for parking unemployed politicians. Both Mr Badal and Capt Amarinder Singh have filled this august constitutional body with loyalists. The Congress too had appointed a politician (Santosh Choudhry) as its Chairperson. Mr Badal has defended his choice with rustic logic he is known for: If a politician can become a Prime Minister or a Chief Minister, why not the PPSC Chairman? The

sooner Mr Badal understands the fallacious nature of his argument, the better it would be for the PPSC and for the state.

**Sen gets Presidency answer
Renewed pledge of academic free hand**

OUR SPECIAL CORRESPONDENT

Amartya Sen today sought out Mamata Banerjee's expectations of the mentor group formed to revive Presidency and the chief minister "explained it well" with the commitment to leave the future of the institution with academics.

After a half-hour meeting with the chief minister at Town Hall, the Nobel laureate said: "I wanted to know the government's attitude towards Presidency and what Mamata Banerjee expected of the mentor group. The chief minister has explained it to me well."

Sen is the adviser to the chairperson of the mentor group. He had agreed to the role following a request by Sugata Bose, the Harvard history professor who chairs the panel.

Mamata had picked Bose for the job but she has since been categorical about who should call the shots. In consultation with Sen, Bose has formed a team of six home-bred but world-wise scholars.

"The chief minister has made it clear that the government wants to turn Presidency University into a centre of excellence and she has iterated at the meeting that her government will give complete freedom to academics in achieving that," Bose said this evening, with Sen seated next to him.

Sen was convinced that the mentor group had been given "a very important responsibility". "My job is to advise the chairman on what should be the suggestions to the government to turn Presidency into a

world-class institution,” said Sen. “There is a need to stress more on the institution’s academic standards,” he added.

Sen and Bose are both former students of Presidency and now professors at Harvard. They had been part of the institution when it was rich in top-of-the-line teachers and equally capable students.

“Presidency University has a long history. It started as Hindu College and it was set up at the initiative of a civil society. It was later turned into a government college. The opinion of the civil society has played a vital role in the growth of Presidency College,” said Sen, a graduate from the batch of 1953.

The decline of Presidency over the past few decades is as much a symptom of the all-round rot in higher education as it is the sad story of an institution.

Sen referred to the larger picture. “Bengal has a glorious tradition of higher education and there is also a need to ensure the development of the other institutions of higher education in the state. Along with Presidency, we have to work at improving the standards of all those institutions,” he said.

It will be wrong to ignore Jadavpur University, for instance, the Nobel laureate said. “I was the first head of the department of economics at Jadavpur University in 1956. The university is now an established institution of higher learning. And then there is Bengal Engineering and Science University, which has also developed as a reputable engineering institution. The mentor group is working for further improvement of academic standards of Presidency University. But it won’t be right to consider the other institutes any less,” Sen added.

During a two-year break between his postgraduation and PhD at Trinity College, Cambridge, Sen had joined Jadavpur University as a professor and economics head at the age of 23. Such an out-of-the-box decision to

allow a bright young scholar build a department from scratch would be unthinkable 55 years on.

Chief minister Mamata studiously skirted the waiting media crew and left the academics under the spotlight this evening. Her meeting with the two scholars took place in a private room at the historic Town Hall before the launch of *His Majesty's Opponent: Subhas Chandra Bose and India's Struggle Against Empire*, Bose's assessment, as a historian, of his great-uncle.

Mamata shared the dais with them for the launch but left immediately after, pointing at Sen when the journalists rushed to her to ask what they had discussed about Presidency.

“Presidency has a special place in Bengal and I feel the government wants it to be a model institution. Other institutions will be filled with hope if Presidency reclaims its lost stature,” said Bose.

Lady of the house now head of the family

Vandita Mishra

New Delhi : On Monday, the Empowered Group of Ministers (EGoM), headed by Finance Minister Pranab Mukherjee, cleared a version of the food security Bill that accepts several provisions recommended by the Sonia Gandhi headed-National Advisory Council (NAC) and rejects some others. Predictably, public attention has concentrated on the latter.

Unnoticed among the NAC recommendations that have been accepted by the government, therefore, lies a radical new proposal that has the potential to re-arrange the power play in the family and in society: the ration card will be issued in the name of the adult woman in the household.

Under the chapter titled “Women’s Empowerment” in the Bill passed by the EGoM, that is slimmer and more cryptic than the NAC document, the eldest woman in the family, not less than 18 years of age, shall be deemed to be the head of the household for the purpose of distribution of ration cards in every household, ‘priority’ as well as ‘general’, under the Bill. Additionally, according to the Bill, in case of a household that does not have an adult woman, but has female members below the age of 18, such members will become the head of the household on turning 18. Only in case of a household with no female member, will an adult male be treated as head of the family.

According to NAC sources, there was complete unanimity among members and strong support from Sonia Gandhi for the proposal to bring

the woman centrestage because, after all, the woman is “the natural custodian of food and nutritional security in the family”.

While there are other “pro-women” features in the Bill — such as preference in licensing and management of fair price ration shops to women and women’s collectives and nutritional support to pregnant and lactating mothers as a legal entitlement — the proposed legal recognition to the woman as head of the household is likely to be the most spectacular and unprecedented step of all. Even in the National Rural Employment Guarantee Act 2005, seen to be the sterling achievement of the NAC in its first avatar, in as much as the law provided a statutory guarantee of wage employment to vulnerable groups within a rights-based framework, the woman was seen essentially as a member of the male-dominated family.

POVERTY

THE PLUNDER ECONOMY

- The poor may be vulnerable, but they do not lack intelligence

Ashok Mitra

One lives to learn — or unlearn. The working head of what passes for this country's Planning Commission is unambiguous about it. One important measure to fight inflation, he believes, is to raise prices. That is to say, to stop prices from rising, you must first raise prices. The gentleman has heartily endorsed the recent serial increases in the prices of petroleum products since such increases will, in his view, succeed in bringing down prices.

Does not this assertion bring back to mind the startling pronouncement, some 50 years ago, by the five-star army general of the United States of America: to save Vietnam, it was, in the first instance, imperatively necessary to destroy that country? The American general did not have the benefit of an Ivy League education and fell back on crude McCarthyism when queried on the rationale of what he had said. The working head of India's Planning Commission, on the other hand, has a background of both Oxbridge sophistry and World Bank hauteur. He is also a fanatic believer in the archaic Quantity Theory of Money in the manner of the great neo-liberal *guru*, Milton Friedman. The suspect assumptions underlying that theory do not detain him. Any increase in price, he is cocksure, lowers the overall demand for goods in the market, since buyers have to spend more on the commodity of which the price has been raised and now have less resources at their disposal to spend on other things, the demand for these things will shrink. In a free market, this will have a dampening effect on the prices of these goods: inflation will thereby abate. To make even more explicit what the Yojana Bhavan eminence implies: if, say, the price of kerosene is hiked, the petty clerk or the poor rickshaw puller will have to make a larger outlay for obtaining kerosene, and will hence have less money to buy not just the

foodstuff he wants to cook on the kerosene stove, but other essential goods too. As a sequel, the demand for foodgrains as well as all those other commodities will decline, in the process pulling down the general price level.

There should in any case be no lingering doubt regarding the meaning of meaning. The government, which includes the Planning Commission, is most anxious to reduce the number of the poverty-stricken in the country. The subconscious is at work: if some of the wretched poor have less money to buy food, they will starve and, hopefully, die without a murmur. That will result in a decline in the percentage of population below the so-called poverty level. In terms of the Yojana Bhavan boss's implicit logic, to raise prices is a holy act which kills two birds with one stone: it disciplines inflation and at the same time reduces the number of the infernal poor who are a bit of a nuisance to Resurgent India.

Spiralling prices, of course, hurt the poor most. In case the phenomenon persists, the huge multitude below the poverty level, denied food security, are bound to starve and face extinction. Why beat around the bush, those currently guiding this nation's destiny want to get the poor out of their hair. Inflation is a handy instrument to fulfil this objective. The deputy god of the Planning Commission has, however, made a tactical error; he should not have gone overboard and claimed that a price rise helps to suck money out of the system and, in consequence, the rate of inflation falls. He has actually indulged in an inexactitude. When the petty clerk or the humble rickshaw puller pays the extra money for kerosene — and which amount he is, therefore, unable to spend on food and other necessities — that money does not go out of the system, it swells the pocket of the trader and the coffers of the oil company which processes the kerosene. It stays in the market and helps the trader to withhold stocks. Or the extra profit it creates for the oil company exerts pressure on the market, if not in the food sector, maybe in the luxury goods sector or the machinery and equipment producing sector. That apart, the market is hardly free. Even if the poor are

compelled to buy less food, grain prices need not fall, traders and hoarders have enough clout, enabling them to wangle easy bank credit, which makes it possible to hold back stocks and avert any drop in grain prices. The rich peasants and the trading community can also pull the necessary strings to ensure larger purchases of foodgrains by State agencies and stem a fall in market prices. India, who does not know, is an enchanting country where, at one end, people die of hunger and, at the other end, surplus stocks of foodgrains rot in government warehouses with the authorities most adamant about not releasing even a minuscule fraction of the stock for the starving people. To do so, the admonition rings out, will have an adverse impact on the 'incentive' of traders and surplus-raising farmers.

If in a nitpicking mood, one could have also mentioned that the Yojana Bhavan savant totally ignores the cascading effect of a rise in food and fuel prices on the structure of costs across the entire system; inflationary forces, instead of being checked, will rage like wild forest fire unless controlled by stern regulatory measures. But all that is beside the point. What is at issue is the class question. Rising food and fuel prices, if allowed free rein, will in due course decimate the poor and the lower middle class. Rest assured, prices nonetheless will continue to soar as per the wishes of quarters that matter. Fudged economic reasoning is mainly for the consumption of the gullible. Inflation is a class instrument, it transfers resources from the poor and the weak to the rich and the strong. This is the ruling idea at this moment in this country: plunder the poor to augment the wealth of the rich.

True, the Indian case is not *sui generis*. It is the same story wherever neo-liberal imperialism has extended its reach. Greece, a poor relation occupying a puny corner of the European Union, was inveigled into giving up its own currency, the drachma, and cross over to the euro. Its government and central bank thereby lost all control over monetary policy which became the domain of the European Union and the European Central Bank. A bunch of tycoons, in cahoots with fly-by-

night investors, had launched a number of industrial and commercial projects which received the backing of unscrupulous speculators and supercilious credit agencies. The relevant stocks were made to zoom. What goes up often comes down. The bubble burst, share prices of the newly floated ventures plunged, quite a number of corporate entities went bankrupt, including some which had Greek government collateral. In the ensuing panic, there was a run against State securities, the exchequer was rapidly drained, the country landed in a grim financial crisis. The authorities could only watch helplessly; they had no control over either interest rates, or capital movements. The EU, meaning its principals, France and Germany, advanced a conditional loan which soon got exhausted. They have now agreed to lend another installment of roughly 40 billion dollars so that the Greek government can emerge out of the crisis, but the conditions this time are far severer. These include a steep increase in taxes heavily loaded against the poor and middle classes, across-the-board cuts in public expenditure targeting social security provisions such as old age pension, unemployment allowance and subsidized education, apart from major slashes in salaries and wages in all sectors. The working and middle classes will have to go through acutely rough days, none knows for how long. Such is the writ of the neo-liberal imperium: the poor have to pay for the sins of the indolent rich whose pastime is to play with stocks and bonds.

It is class war. The times, the rich have judged, are propitious for finishing off the filthy poor, no question of showing any mercy. Even the cruellest of the cruel, though, ought to have at least a minimum sense of decency. By all means plan the liquidation of the poor by raising, with extraordinary frequency, prices of foodstuff and fuel, but, please, do not insult their intelligence, do not pretend that, by raising prices, you are in fact smothering inflation and thus ameliorating the lot of the poor.

