



☑ Money supply surge signals uncertainty amid pandemic

People hoarding cash, parking money in deposits: analysts

- Heightened uncertainty caused by the COVID-19 pandemic has led to a surge in currency in circulation as people hoard cash or park money in accessible deposits to safeguard themselves against salary cuts or job losses.
- According to RBI data, M3 money supply rose 6.7% in the first five months compared with the same period last year, the highest growth in seven years.
- Currency in circulation, which measures money with the public and in banks, has also surged.
- A rise in money supply usually is seen as a leading indicator of growth in consumption and business investments, but the rise this time is unlikely to bolster either, analysts said.
- “We suspect that the recent increase reflects higher cash withdrawals by depositors to meet needs during the lockdown period, until normalcy returns,” said Radhika Rao, an economist at DBS Bank.
- Gross capital formation, or total investments toward fixed capital, fell 7% in the March quarter, a seven-year low, and analysts expect a further deterioration. Lenders too are unwilling to take risks as slowing discretionary spending slows demand for manufactured and industrial goods.

- “Risk-averse individuals are putting money in bank deposits, given the high and rising uncertainty, while on the other hand risk-averse lenders are not lending to those who need it,” said Kunal Kumar Kundu, India economist at Societe Generale.

- However, growth in currency notes held by public was much higher than the deposits made in banks.

- Since the end of March, currency held by the public rose 8.2% compared with a 4.1% increase in term deposits, the data showed. Savings and current account deposits fell 8% due to higher withdrawals.

- “At the margin, people have curtailed their discretionary spending as they’re not sure of their permanent income,” said Rupa Rege Nitsure, chief economist at L&T Financial Holdings. “There is still heightened uncertainty about the duration of pandemic.”

☞ Transforming education

Instead of presenting each discipline as distinct and separate, we ought to integrate their domains with the natural world

- COVID-19 has knocked down economies, stranded people, hit education, work and travel, and cut short people’s lives. If the pandemic has one lesson for humanity, it is that people, places and non-human entities and processes are connected. These connections have long been ignored in most spheres, including economic landscapes, food systems and pedagogies.

- At this time, there has been a lot of talk about investing in a “green economy” with more renewables, reduced motorised transport or travel, and more working from home. These are all good ideas but they could also be interpreted as mere tinkering at the edges. In another 15-18 months, perhaps with a vaccine in place, the understanding we have gained during the lockdown may be all but forgotten. The green economy, as promising as it could be to tackle climate change, may leave the discourse on development untouched. If we want long-lasting and transformational changes to connect sustainably with the web of life, we have to think about how we educate ourselves.

A different education

- We must recognise, at an early age, the interconnectedness of the natural world with our everyday lives, and with the well-being of the planet. To accomplish that, education in history, geography, economics, biology and chemistry, for example, would have to be very different. Instead of presenting each discipline as distinct and separate, we ought to integrate their domains with the natural world.

- History is set in periods divided by wars and victors, but should include ecological changes to the landscape in a region as part of the lesson. Just as there was a movement

in history to include narratives of the subaltern, we need integration with ecological connections and changes. What were the consequences, for instance, of the British building railways across the country for better extraction of resources? Trains were earlier powered by wood from deforestation. Where did the wood come from and what was the local effect on people and forest cover? Similarly, geography must describe the land and the forests, how cities develop and what these changes do to the coast and the hinterland, water bodies and the commons.

- There is a renewed interest in using more illustrations and models to enliven learning in the sciences. Biology and chemistry need not begin with the periodic table, reactions and cells, but start by framing the organism and cells as located within a milieu where materials, energy and information are exchanged. Chemistry could begin with cycles such as the nitrogen, carbon, phosphorus, and water cycles, which link together the biosphere, rocks and minerals. This type of teaching and learning will not do away with previously taught knowledge. It introduces a holism where there is reductionism, and the foundation would be the linkages across human and non-human entities.

Small beginnings

- Such new learning would set the grounds for understanding climate change from rising anthropogenic greenhouse gases. There has been a small movement to include the anthropogenic changes we have wrought on the earth into fields of inquiry such as literature, culture studies and history. Still, this inclusive thinking is not mainstream. A significant level of unlearning will have to be done along with new learning. Curriculum developers will have to restructure and rebuild materials used to impart knowledge.

- In *Unruly Waters*, historian Sunil Amrith describes the subcontinent's history by looking at the rain, rivers and coasts. He writes how water was studied, managed and divided as a result of human activity through political and economic development. In *Indica*, Pranay Lal teaches geology and natural history simultaneously. Amitav Ghosh's *The Great Derangement* is about imperialism and its role in climate change. The economic historian, Prasanna Parthasarathi, is preparing new materials to teach modern history incorporating ecological changes, and novelists and poets are beginning to integrate the Anthropocene in their writing. The initial waft of change we see in some areas of knowledge will have to deepen and spread.

- The Gaia hypothesis put forth by James Lovelock is an ecological theory proposing that living creatures and the physical world are in a complex interacting system that maintains equilibrium. One might imagine the COVID-19 crisis as Gaia giving us a warning, showing how flimsy human life and the structures we rely upon are. Unchecked rapaciousness has been unleashed by policies that support "growth at any cost". It will ultimately fail since all goods used in any economy arise from the natural world. Our educational system needs to lay down the bricks for this understanding.

☒ Arrest the virus of arbitrary power

What is worrisome today is the whimsical curtailment of liberty and brazen partisanship

- In the early days of the lockdown, when COVID-19 cases began to rise, we witnessed a second virus spreading equally rapidly in the country — the virus of communalism. But there is a third virus around which is less spoken about; a virus eating into and severely corroding our democratic structure — the virus of arbitrary power. There is no better evidence of this than the denial of bail to a pregnant student-activist, arrested for creating disorder on an ‘unprecedented scale’ when all she appeared to have done was actively participate, like many others, in a protest against the Citizenship (Amendment) Act, 2019, proposed by the government.

Tyranny and slavery

- This arbitrary use of power, implied by the absence or selective use of law, is deeply troublesome. More so, when exercised by a democratically elected government. Frequent arbitrariness in the political domain leads to tyranny, quite like when persistently present in the social sphere, it leads to slavery. Either way, it tramples upon basic freedoms. But what, one might ask, is the connection between arbitrariness and the loss of freedoms?

- Individuals, communities or citizens cannot function freely without a stable set of expectations. By stabilising expectations, laws enable significant freedoms, even as they restrict some others. To take just one example, once it is widely known that I am legally restricted to driving only on the left, I drive with greater freedom, knowing that headlong collision is unlikely. I regulate the speed of travel and calculate the time to get from home to office. This helps me schedule my work for the day and coordinate with others who likewise make their own schedules. By jointly accomplishing our goals, we enhance our freedom. Laws enable our actions and interactions to become broadly predictable. Many of our freedoms require that the arbitrary, by which is meant ‘unpredictable, random or unexpected’ does not throw us off balance. The arbitrary blocks freedom.

- However, an even more basic feature of arbitrariness, one that produces much greater harm, is to be at the mercy of the whim or fancy of someone else, especially the powerful. Return to the traffic example. Suppose that two vehicles stop at the traffic light but just beyond the zebra crossing. The policeman, embodying the entire might of the state, issues a ticket or a challan to one but not the other. Worse, instead of fining the violators, he seizes the driving licence of a careful driver, who has stopped a good metre behind the crossing, merely because he dislikes the make of his car. Surely, this arbitrary implementation of the law is grossly unjust. This shows that the minutest aspect of daily life — travelling to work — can be dependent upon the arbitrary opinion of someone else. When power is exercised arbitrarily by the state, a person is made to act not in accordance with a legitimate, general rule but at the pleasure of state officials. The most extreme example of this is political enslavement, when an entire people are colonised, subjected to the will of the colonisers, where laws, good or bad, flow from the like and dislike of colonial masters.

•This is equally true of the arbitrary exercise of social power, for instance under social slavery. A slave must comply with any, just any whimsical order of his master. Since the master owns him, the master is legally permitted to do just about anything with the slave. The slave breathes at his pleasure, sits or stands at his pleasure, eats, works, sleeps at his pleasure. Slaves can be awakened and asked to work in the field at an unearthly hour of the night, if the master so desires. They are never sure of what to expect from the master. One moment, objects of affection or charity, at the very next, they are treated with utter disdain, sold, even killed. After all, the master can dispose of his property at will. Such arbitrary power was routinely exercised by the patriarch in the family and continues even today. Likewise, unbridled capitalism is marked by an absence of laws to regulate labour; workers can be hired or fired at the will of the employer and no fixed hours of work exist. Unregulated wage-labour works pretty much like slavery. Are not domestic workers still treated in many homes like slaves?

The Emergency and now

•These examples strengthen my point about an inverse relation between arbitrary political power and freedom. In dictatorships, entire populations are subject to the whim of the supreme leader or a tiny elite. Who did not fear the midnight knock in the regimes of Hitler and Stalin? While the devastation they caused is well chronicled, smaller tyrannies abound in our world too. Even democracies contain authoritarian spaces within them where the law can be used to continuously harass opponents. Anyone who has lived through the Emergency knows that Opposition leaders were thrown in jail on the false charge of conspiring against the state and thereafter a small crack unit began to arbitrarily control the activity of anyone politically significant. Surely that experience should have sufficed to make all of us realise the supreme value of freedom from arbitrary rule. However, with the number of first information reports (FIRs) being filed at the behest of random persons, on unsubstantiated complaints and little explanation, largely uncontested by a tired, silent political Opposition, one begins to wonder if we are headed in that awful direction once again.

Upending rights

•Consider the arrest of activists. Article 21 of the Constitution gives every citizen the right of basic liberty and security. No one can be deprived of liberty, held without properly following procedures prescribed by law. Article 22 requires that anyone arrested and detained must be informed of the ground for such an arrest and must be brought before a competent legal authority within a prescribed time frame. Legal scholars have rightly pointed out that the best interpretation of this Article requires that the grounds of arrest and detention must be reasonable. The grounds of preventive detention, to be used in very rare cases, must likewise assume that the suspicion of offence is well-grounded, based on available evidence, on relevant information that satisfies any objective observer, and not on mischievous allegations. But reality seems to confirm what every other Indian movie has shown about police acting on the caprice of a ruling leader, and the law being used to harass citizens. Is suspicion always supported by available facts? Is the 'offender' really a threat to internal security, or merely present at the scene of the 'crime'? Whatever

the facts of the case, was the offence committed by a pregnant student-activist so grave that bail could not be granted until yesterday, on her 4th attempt? If ordinary persons could smell arbitrariness here, why could not the sessions judge? Anyhow, why fill our coronavirus-infested jails with what are largely political prisoners, when other countries are releasing even non-political inmates? Minimum lock-up during lockdown should be the political slogan in our catastrophic times.

- Arbitrary curtailment of liberty existed under previous State and central governments. This is deplorable. Yet, what is worrisome today is its frequency and brazen partisanship. We should remind ourselves that participants in the anti-corruption movement of 2011¹² were not thrown in jail. Nor was the media muzzled when it went after the central government of the day, Why are political activists and journalists charge sheeted today for simply doing their job?

- The Emergency, whose anniversary falls tomorrow, was meant to be a watershed in the life of Indian democracy, a brief, critical phase when the Indian political system could have gone either the way of authoritarian rule or mature as a democracy. By restoring faith in democracy, India appeared to have passed one of its crucial tests and firmly taken the second route. But are we on the verge of giving up the gains from that chastening experience? Has the struggle against the suspension of democracy been in vain? Have a small section of its victims now become perpetrators?

☒The sharp end of military power

Unless there is vision and an acceptance of the importance of air power along the LAC, there is danger

- In 1962, an uninformed political leadership, dominant Army brass, and diffident Air Force leadership ensured that a reasonably potent offensive element of the Indian Air Force (IAF) watched from the sidelines as the People's Liberation Army (PLA) rolled into Ladakh and down the Sela Pass into Bomdila. Swayed by the assessments of a British Operations Research expert, Patrick Blackett, and the U.S. Ambassador to New Delhi, John Kenneth Galbraith, then Prime Minister Jawaharlal Nehru balked at the idea of using the IAF to stem the Chinese tide. IAF fighter pilots posted at air bases that could impact operations in Ladakh and the Tawang Sector (Pathankot and Tezpur) recall that they were battle ready and waited for the call to action that never came.

Defensive and offensive strategy

- Fast forward to the winter of 1986 and the summer of 1987. Following the establishment of a camp at Wangdung grazing grounds in the Sumdorong Chu Valley (northwest of Tawang and in the same area where Indian forces were overwhelmed in 1962), the trio of General Krishnaswamy Sundarji, Lieutenant General Narahari and Major General J.M. Singh put together a logistically viable envelopment strategy that spooked the Chinese with numbers, firepower, and aggression without needless confrontation. An important

element of this strategy was the use of helicopters and transport aircraft to facilitate and sustain this deployment.

- That was not all. They even developed an offensive strategy to take the battle to Le, the forward most PLA base in the sector. There was close coordination between 4 Corps in Tezpur and the fighter base close by and training was stepped up in the valleys to support offensive operations if required. In an interview with the author, Major General J.M. Singh was emphatic that air power held the key in operations on the Tibetan Plateau. He argued, “We must have the capability to gain and maintain a favourable air situation for limited periods of time, and carry out interdiction to back shallow multi-pronged thrusts across road-less terrain to outflank the Chinese build-up that will take place on the existing road and rail networks.”

The IAF's advantage

- On June 15, 2020, there was a violent clash at Patrolling Point 14 in Galwan. The ground situation across the entire Line of Actual Control (LAC) is largely one of parity and for any tangible gains or tactical advantage to be gained on the ground the Indian Army needs a numerical superiority of at least 5:1. Therefore, if there is any asymmetric advantage to be gained, it is air power that will prove to be decisive in depleting the PLA's combat potential before it is applied along the LAC.

- By all recent operational assessments including one by the Harvard Kennedy School, the IAF currently enjoys both a qualitative and quantitative advantage over the People's Liberation Army Air Force (PLAAF) across the LAC. It's fighter fleet of 4th Generation Aircraft (Su-30 MKIs, Mirage-2000s and MiG-29s) are superior in almost every respect to the PLAAF's J-10s, J-11s and SU-30 MKKs. The IAF has more operational bases than the PLAAF close to the LAC. There is reasonable redundancy and survivability to withstand an initial attack on IAF bases by the PLA Rocket Force (PLARF).

- There are, however, two areas of concern. The first is a strong ground-based air defence network strung up by the PLAAF in Tibet comprising the S-300, S-400 and HQ-9 systems that the IAF will have to contest during its offensive operations. The second is the advantage that the PLAAF has in long-range air delivered cruise missiles (500-3,000 km) from the H-6 bomber. As compared to this, the IAF's Su-30 MKI has just been cleared to carry the BrahMos land attack cruise missile with a range of 300 km which could be a significant force multiplier against targets in Aksai Chin and Tibet.

- The other area of significant advantage enjoyed by the IAF is in the aerial mobility department where the IAF transport fleet of C-17s, Il-76s, An-32s and C-130s are as proficient in diverse roles as the best air forces in the world. Whether it is rapid troop induction into major bases or at Advance Landing Grounds like DBO, Nyoma or Mechuka, or inter-valley transfer and insertion of special forces with helicopters like the recently inducted Chinooks and the versatile Mi-17 series, these are areas that will provide great confidence to the Indian Army. After initial setbacks in Afghanistan, the U.S. Army has figured out a way to exploit the lethal firepower of the Apache Attack

Helicopter at altitudes of 12,000-14,000 feet. It would be reasonable to expect that the IAF's Apaches would add significant firepower in Ladakh.

- Finally, in the area of surveillance, China possesses a large complement of the Yaogan series of low earth orbit surveillance satellites that offer it an almost persistent stare capability over areas of interest. To counter this India must leverage its existing spacebased surveillance assets and airborne surveillance platforms to support wide-spectrum operations and provide better situational awareness.

The importance of air power

- Unless there is vision and an acceptance of the importance of air power in what has been till now a significantly land-centric operational philosophy across the LAC, there is a clear and present danger. In the next decade or so, the IAF will lose its competitive advantage with the PLAAF as the latter has invested heavily in modernisation and is continuing to do so. On the other hand, with deep budgetary cuts and the likelihood of the slowing down of the induction of cutting-edge platforms and weapon systems, the choice is not about what the IAF wants but what the country needs in the prevailing complex security environment. Air power represents the sharp end of contemporary military power. We need to ensure that it does not get blunt.

☒Crop of ironies

Food security and farmer welfare are intertwined

- It is ironic that it took a devastating pandemic to force the government's hand for longoverdue agrarian reforms. Amendments have been made to the Essential Commodities Act, 1955. The Finance Minister has urged States to dismantle the Agricultural Produce Market Committees. Several long-term changes have been made to the agricultural sector, such as fair pricing and e-trading, along with liquidity measures. The Centre has also encouraged the State governments to adopt three model laws on contract farming, agricultural land leasing, and marketing.

- These developments came as the Indian agriculture sector was impacted by lockdowns across States following the COVID-19 outbreak. Migrant farm workers fled the fields en masse, unable to sustain their livelihoods. Crippling bottlenecks in the supply chain resulted in prices sky-rocketing in consumer markets, even as farmers, stuck with inventory, started dumping them at throwaway prices. Many remained hungry even as the Food Corporation of India's godowns overflowed with grain stock at three times the buffer stock norms.

- It is an irony that many migrants to the cities who come from farming backgrounds sought the city for a better life but it is the same cities and their employers that have forced them to return to their homes. What India has been witnessing over the past few months is a historic reverse migration. It is an irony that the very people who ensure food

security in this nation are being made to go hungry now. It is equally an irony that the lockdown was imposed to contain COVID-19 but migration of the poor and vulnerable might be taking the virus to the hinterland of India.

- While the concept of One Nation, One Ration Card has potential, people are concerned about immediate relief for the hungry. This is being provided with the release of fixed quantities of free foodgrains and pulses to the migrants, even to those without ration cards, for the months of June and July. Implementation needs to be seen through. India has always struggled to fill the gap between policy prescriptions and implementation.

- Just as rabi crops were set to be harvested, unseasonal rain and hail arrived at the beginning of the year. Parts of the country reeled under a pernicious locust invasion. Looming loans could push farmers into a tailspin of poverty. The Reserve Bank of India announced an extension of the moratorium on loan EMIs by three months, but given that many farmers rely on a system of informal borrowing, this negates the intended effect. The government has also hiked the MSP of 14 kharif crops, but some argue that this may not offer the intended extent of relief due to a lack of manpower, working capital, machinery (stuck in other States) and storage.

- Steps that economists suggest are to switch from cash to food crops; listen to the Prime Minister's 'go local' message and invest in redirecting supply chains locally; increase government allocations to poor farmers through the PM KISAN scheme by including everyone, even those who do not own land; ensure timely availability of seeds and fertilizers for the next season by roping in gram sabhas to verify claimants; and involve Farmer Producer Organisations in the process to ensure the safeguarding of farmers' rights.

- The world observed World Hunger Day on May 28, 2020. India was ranked 102 out of 117 qualifying countries on the Global Hunger Index. Although agriculture accounts for around 17% of India's GDP, nearly 50% of the country's population depends on farmbased income. The Prime Minister's vision for doubling farmers' income in two years seems a distant dream in the wake of the pandemic. Climate scientists warn about climate change. The resilience of Indian farmers has meant that the nation was fed even through multiple lockdowns. Now, it is our turn to give them a brighter day.