



In an oil slick

India is testing its traditional ties with Iran by giving in to U.S. bullying

Faced with the U.S.'s intransigent demand that all countries put a full stop to oil imports from Iran or face sanctions, the Indian government has indicated it will 'zero out' oil imports after the May 2 deadline. Statements from the Petroleum and External Affairs Ministries suggest the government's focus is now on finding alternative sources of energy, and minimising the impact on the Indian market. At last count, India was importing about 10% of its oil needs from Iran, although it had considerably reduced its intake over the last few months. The U.S. has made it clear that Indian companies that continue to import oil from Iran would face severe secondary sanctions, including being taken out of the SWIFT international banking system and a freeze on dollar transactions and U.S. assets. In response, Indian importers, including the oil PSUs, have decided that sourcing oil from Iran is unviable at present. As a result, the government is seeking to explain the decision as a pragmatic one, taken in India's best interests. Officials point to the six-month reprieve, from November 2018 to May 2019, that they received from the U.S. in the form of sanctions waivers to import Iranian oil, and the exemption to continue developing the Chabahar port, as positive outcomes of the negotiations over the past year. Such arguments are, however, not very convincing. India has, in effect, now decided to cave in to U.S. pressure on the issue less than a year after External Affairs Minister Sushma Swaraj said that India would recognise only UN sanctions, not "unilateral" ones. In fact, last February Prime Minister Narendra Modi vowed in Iranian President Hassan Rouhani's presence in Delhi to increase India's oil intake from Iran.

There are other real costs attached to the U.S. ultimatum that India may have to bear. The price of oil has already shot up above the \$70 mark in April. In addition, Iran has threatened to shut down the Strait of Hormuz, a key channel for global oil shipments, which would further lead to inflationary trends, not just for oil but other commodities too. Any direct backlash from Iran for its decision will also jeopardise India's other interests in the country, including its considerable investment in the Chabahar port, which India is building as an alternative route for trade to Central Asia. In the larger picture, India isn't just testing its traditional ties with Iran, but also giving in to President Donald Trump's blatant bullying after his administration withdrew from the Iran nuclear deal. Instead of engaging in what appear to have been fruitless negotiations with the U.S. over the past year, India, China, the EU and other affected entities could have spent their time more productively in building a counter with an alternative financial architecture, immune to the U.S.'s arbitrary moves.

The halfway mark

With a month to counting day, BJP has upped the Hindutva pitch in the Hindi heartland

Voting has taken place in 302 of the 543 Lok Sabha constituencies in the first three phases of polling. The third phase of polling on Tuesday was spread across 14 States and Union Territories, in 115 constituencies. In addition, polling for the East Tripura seat, which was postponed from April 18 after the EC concluded that the law and order situation there was not conducive to holding free and fair polls, took place on Tuesday. With the third phase, more than half the constituencies have voted, including all in the southern States and Gujarat. Voting trends indicate that the turnout in general would hover around the 2014 levels. The massive turnout in Kerala and higher turnouts in the tribal regions of Gujarat are noteworthy in the third phase, and could influence the result. Through the second and third phases, the BJP tried to alter the beaten path of politics in Kerala and Tamil Nadu, while doubling down on its Hindutva agenda in the Hindi heartland and Gujarat. The BJP's strategy to retain power at the Centre now clearly involves limiting the inevitable losses in its strongholds, promoting friendly regional parties where its presence is limited and opening some new territories for itself. The manifestation of this strategy was visible in the one-sided actions of the Income Tax department in Tamil Nadu and Karnataka that targeted only those from the Opposition parties. In the 16th Lok Sabha, the BJP had 21 of the 129 seats in the five southern States, 17 of them from Karnataka.

In Kerala, the BJP appears to have made significant inroads by mobilising protests against the entry of all women into the Sabarimala shrine. During his tour of the State, Prime Minister Narendra Modi said that the BJP was an "inclusive, and democratic party", thus soft-peddalling the hyper-nationalism that continues to be the mainstay of his campaigning in general. This attempt to sound reasonable to the diverse Kerala society runs parallel to the most corrosive demonstration of Hindutva till date during this election season, in the candidacy of Pragya Singh Thakur, who is an accused in terrorist attacks. Ms. Singh, the BJP candidate from Bhopal, has over the last few days made several inflammatory statements. Overall, the shrillness of the BJP rhetoric has only risen as campaigning gains momentum for the fourth phase. For his part, Congress president Rahul Gandhi has sought to underscore the link between national security and unemployment, and terms his 2019 election as a fight for the survival of India as an inclusive and pluralistic country. Mr. Gandhi has kept the suspense alive on the possibility of his sister, Priyanka Gandhi Vadra, contesting against Mr. Modi in Uttar Pradesh's Varanasi constituency. If Ms. Vadra enters the fray as a candidate, it would doubtless alter some of the calculations about this election.

The permanence of Arab uprisings

As protests hit Sudan and Algeria, it's anybody's guess if they will go the Tunisia or the Egypt way



STANLY JOHNY

Arab politics remains defiant. Eight years after protests swept through the Arab street toppling several dictators, anti-government demonstrations erupted in Sudan and Algeria (*picture*) in recent months. Earlier this month, both Abdelaziz Bouteflika, who had ruled Algeria for 20 years, and Omar al-Bashir, who had been at the helm in Sudan for three decades, quit amid public anger, reviving memories of the Tunisian and Egyptian uprisings earlier. When protests broke out in Tunisia in late 2010 and spread to other countries, there were hopes that the Arab world was in for massive changes. The expectation was that in countries where people rose, such as Tunisia, Egypt, Yemen, Libya, Bahrain and Syria, the old autocracies would be replaced with new democracies. But except Tunisia, the country-specific stories of the Arab uprising were tragic.

Arab Spring 2.0?

These tragedies, however, did not kill the revolutionary spirit of the Arab youth, as the protests in Sudan and Algeria show. Rather, there's continuity from Tunis to Khartoum and Algiers. The Arab uprising was originally triggered by a combination of factors. The economic model based on patronage was crumbling in these countries. The rulers had been in power for decades, and there was popular longing for freedom from their repressive regimes. More important, the protests were tran-

snational in nature, though the targets of the revolutionaries were their respective national governments. The driving force behind the protests was a pan-Arabist anger against the old system. That's why it spread like wildfire from Tunis to Cairo, Benghazi and Manama. They may have failed to reshape the Arab political order, but the embers of the uprisings appear to have survived the tragedy of 'Arab Spring'.

Most Arab economies are beset with economic woes. The rentier system Arab monarchs and dictators built is in a bad shape. Arab rulers for years bought loyalty of the masses in return for patronage, which was then buttressed by the fear factor. This model is no more viable. If Arab countries were shaken by the 2010-11 protests, they would be thrown into another crisis in 2014, with the fall in oil prices. Having touched \$140 a barrel in 2008, the price of oil collapsed to \$30 in 2016. This impacted both oil-producing and oil-importing countries. Producers, reeling under the price fall, had cut spending — both public spending and aid for other Arab countries. Non-oil-producing Arab economies such as Jordan and Egypt saw aid that they were dependent on drying up. In May 2018, there were massive protests in Jordan against a proposed tax law and rising fuel prices. Demonstrators left the streets only after Prime Minister Hani Mulki resigned, his successor withdrew the legislation and King Abdullah II made an intervention to freeze the price hike.

Regime changers

In Sudan and Algeria, protesters have gone a step ahead, demanding regime change, like their comrades in Egypt and Tunisia did in late 2010 and early 2011. Algeria,



REUTERS

whose economy is heavily dependent on the hydrocarbon sector, took a hit after the post-2014 commodity meltdown. While GDP growth slowed from 4% in 2014 to 1.6% in 2017, youth unemployment soared to 29%. This economic downturn was happening at a time when Mr. Bouteflika was missing from public engagement. A stroke had paralysed him in 2013. But when he announced candidacy for this year's presidential election, seeking another five-year term, it infuriated the public. In a matter of days, protests spread across the country, which culminated in his resignation on April 2.

Sudan's case is not different. The northeast African country is also battling a serious economic crisis. Mr. Bashir and his military clique ruled the country through fear for three decades. But the split of South Sudan in 2011, with three-fourths of the undivided country's oil reserves, broke the back of the junta. Post-2014, Sudan fell into a deeper crisis, often seeking aid from richer Arab countries such as Saudi Arabia, the United Arab Emirates (UAE) and even Qatar, the Saudi bloc's regional rival. Inflation is at 73%. Sudan is also grappling with fuel and cash shortages. Discontent first boiled over in the northeastern city Atbara in

mid-December over the rising price of bread, and the protests soon spread into a nationwide movement. Mr. Bashir tried everything he could to calm the streets — from declaring a state of emergency to sacking his entire cabinet — but protesters demanded nothing less than regime change. Finally the army stepped in, removing him from power on April 11.

Counter-revolutionaries

Like in the case of 2010-11, the 2018-19 protests are also transnational — they spread from Amman to Khartoum and Algiers in a matter of months. The pan-Arabist anger against national governments remains the main driving force behind the protests, which should set alarm bells ringing across Arab capitals. But in all these countries, the counter-revolutionary forces are so strong that protesters often stop short of achieving their main goal — a clear break with the past. They manage to get rid of the dictators, but the system those dictators built survives somehow, and sometimes in a moral brutal fashion. There are two main counter-revolutionary forces in these countries. The first are the main guardians of the old system, either the monarchy or the army. Tunisia is the only country where the revolutionaries outwitted the counter-revolutionaries. They overthrew Zine El Abidine Ben Ali's dictatorship, and the country transitioned to a multi-party democracy. In Egypt, the army made a comeback and further tightened its grip on the state and society through violence and repression. In Jordan, the monarch always acts as a bulwark against revolutionary tendencies.

The second are geopolitical actors. In Libya, the foreign interven-

tion removed Muammar Qaddafi, but the war destroyed the Libyan state and institutions, leaving the country in the hands of competing militias. Libya is yet to recover from the anarchy triggered by the intervention. In Syria, with foreign intervention, the protests first turned into an armed civil war and then the country itself became a theatre of wars for global players. In Yemen, protests turned into a sectarian civil conflict, with foreign powers taking different sides. In Bahrain, Saudi Arabia made a direct military intervention, on behalf of its rulers, to violently end the protests in Manama's Pearl Square.

The same could happen in Algeria and Sudan as well. In both countries, the army let the Presidents fall, but retained its grip on power, despite pressure from protesters. They don't want regime change. They are dressing up the fall of the dictator as a revolution and selling it to the protesters, just as the Egyptian military did eight years ago. Sudan faces the heat of geopolitical intervention as well. As soon as the military council directly took power, Saudi Arabia, the U.A.E. and Egypt offered support to the military, at a time when protests continue in Khartoum demanding an immediate handover of power to a civilian government. The Saudis have also announced an aid package to the new junta, making it clear who they prefer.

This is the challenge before the Arab protesters. They are angry. They want the system to be changed. But they are the multitudes. There's no vanguard of the revolution. While they keep rising up against the system, they are constantly being pushed back by the counter-revolutionaries.

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The problem with cherry-picking data

If it's the government's case that NSSO figures are suspect, what has it based policy decisions on?



ARUN KUMAR

Minister of State for Housing and Urban Affairs Hardeep Singh Puri said last week, "we definitely have a data crisis," and blamed academics for creating a "false narrative". Yet, at the heart of the data crisis in India is the Central government, which has been holding back important data. Most recently, it did not announce the data on employment created by the 'Mudra' scheme. Earlier, the National Sample Survey Office (NSSO) data on employment were withheld. Data on farm suicides have not been available since 2016. Data are being withheld precisely where experts have flagged problems, such as on employment, farmers' crisis and economic growth.

Clashing with reality

The NSSO data (which have not been released officially) undermine the National Democratic Alliance government's claims on job creation. In fact, they showed massive unemployment. Demonetisation and the implementation of the goods and services tax, both of which undermined the unorganised sector which employs 94% of the workforce, have impacted employment. Data from the Centre for Monitoring Indian Economy

(CMIE) and others have confirmed the loss of jobs. The NSSO and CMIE data are based on household surveys which capture any additional employment created by Mudra loans, tax aggregators, e-commerce, etc. Basically, jobs are being lost so that the net effect is a decline in employment.

The government had promised doubling of farm incomes by 2022. But, farmers' incomes have come under pressure due to falling farm produce prices and rising input costs. This got aggravated by demonetisation, with cash shortages in rural areas compelling farmers to sell at lower prices to the traders to get cash. Data on farmer suicides had not been released on schedule even though the National Crime Records Bureau (NCRB) collects them annually.

The government has implicitly admitted that there is a crisis in the farming and unorganised sectors, and due to that in employment generation. That is why it announced an annual ₹6,000 support to farmers owning up to five acres of land and promised insurance to workers in the unorganised sector. It has also increased allocations for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) from ₹55,000 crore to ₹60,000 crore. This allocation is inadequate, but it does indicate that the government is forced to acknowledge the crisis facing the poor.

To counter the argument of a crisis facing large segments of the population, the government first



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tried to discredit alternative arguments and then changed its stance to say that data on the unorganised sector employment were bad. In the process, it discredited its own agency's data.

But the data on employment put out by NSSO have been used for long. Was that all incorrect also? If so, policy formulation based on that faulty (or non-existent) data was also incorrect. It would render suspect not only the policies of past governments, but even this government's.

Most critically, if data on unorganised sector employment are not reliable or are non-existent, then GDP data are also not credible. After all, such data must factor in the contribution of the unorganised sector. The implication is that the government is only estimating growth on the basis of the organised sector of the economy, a point repeatedly made by this writer in the last two years.

In brief, the government has tied itself up in knots by saying that no one has credible employment data. So, GDP data also become suspect and so does the claim of 7% rate of growth. If the GDP calculation is inaccurate, can the budget figures based on this

data be relied upon? Using the organised sector growth to represent the unorganised sector growth is somewhat acceptable only if the two components are moving in the same direction. But that has not been true post-demonetisation, which decimated the unorganised sector. So, the official figures represent only the organised sector. If the alternative data on unorganised sector growth are included, then the rate of growth would turn out to be less than 1%. This would be consistent with the crisis of the unorganised sector, agriculture and employment. A 7% growth rate of the economy is not consistent with this crisis.

The situation becomes even worse when quarterly GDP growth figures are relied on. They are based only on the corporate sector data and not even the organised sector. Thus, they are even less representative of growth of the economy.

The government cites World Bank and International Monetary Fund figures in support of its contention of 7% growth. But these agencies do not collect independent data and only reiterate the official data. So, their figures are not independent endorsements of government data.

To be fair, all governments in the past have manipulated data. The budgetary figures — fiscal deficit, expenditures and revenues — are fudged. Critics point to creative accounting in the budget every year. Data on education and health are also manipulated to show better performance. Whe-

never the GDP base change has been announced, experts have pointed to flaws. Inflation measured by the wholesale price index has been criticised as not representing the services sector, hence understating inflation.

Risk of arbitrariness

What is new is the complete denial of data collected by official agencies. If the government wishes to revamp data collection, it cannot be done arbitrarily. Expert committees must be appointed to work on the modification of methodology and the database. Even this would not account for the substantial black economy.

In brief, the present government is denying the data of its own agencies or modifying data arbitrarily. This is opening the doors for future governments to do the same. Tomorrow when the inflation rate rises, a government can claim that data on prices are faulty. If so, the bottom falls out of the calculation of dearness allowance to the organised sector and the budget formulation gets impacted. Further, the calculations of the Reserve Bank of India (RBI) also go wrong since it is supposed to target inflation. If both the data on growth and prices are denied, what would the RBI target? No one says that data cannot be improved but denying the existing official data only creates problems for policy and its credibility.

Arun Kumar is at the Institute of Social Sciences, New Delhi and author of 'Ground Scorching Tax', 2019

LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

Carnage in Sri Lanka

The deadly serial bomb blasts that have devastated Sri Lanka pose a huge challenge to those in charge of our safety and security (Editorial, "Sunday, bloody Sunday", April 23). It is baffling that the island nation did not take warnings about a possible terror attack seriously enough. It is even more baffling that the Sri Lankan Prime Minister has claimed that he wasn't 'informed' well in advance about the intelligence alert. Perhaps a new worry for Indian intelligence agencies is of countries in the region becoming staging-posts for possible terror strikes on India.

R. SIVAKUMAR,
Chennai

The strikes have also exposed the political fault lines in the island nation. The Sri Lankan President should set aside any lingering tensions, if any, with the Prime Minister and develop a working relationship with him in taking concerted steps to correct the security situation. Simultaneously, the investigation into the blasts should be speeded up, possibly enlisting the help of global agencies.

KOSARAJU CHANDRAMOULI,
Hyderabad

Rahul Gandhi's remark

In the Supreme Court, Congress president Rahul Gandhi has reportedly expressed 'regret' over his "chowkidar chor hai" remark, explaining it as comments made "in the heat

of political campaigning". Thanks to his flippant remarks against political adversaries off and on, Mr. Gandhi has become the butt of several jokes, especially on the social media. He needs to keep watch over what he says.

P.G. MENON,
Chennai

Chronicler of Madras

In the passing of S. Muthiah, the city of Chennai has lost an invaluable link with Madras and its heritage. His weekly columns in this daily were not only informative but also provided several leads to readers to carry out further research and documentation. Thus the story of Madras got bigger with each passing column. I am especially grateful to him for having helped in the

writing of the book, *Life and Legacy of Madras Christian College (1837-1978)*. Residents of Chennai, especially the readers of this daily, should explore ways of perpetuating the contributions of S. Muthiah.

JOSHUA KALAPATI,
Chennai

A friend from Chennai just telephoned to share the news of the passing of the heritage expert, whose writings have been eagerly followed by thousands of readers. Living in a remote village in Arunachal Pradesh, where the paper itself reaches a week later, I have often had to spend hours poring over old copies of *The Hindu* when I come to Chennai every six months, hunting for items I may have missed reading. S. Muthiah's

stimulating stories were one feature. Perhaps *The Hindu* could bring out a collection, so that those who have missed these gems would get a chance to re-read them. These articles will remain as some of the finest examples of documentation of history.

S. MUNDAYOOR,
Tezu, Arunachal Pradesh

Margaret Amritraj

'Maggie' Amritraj epitomised motherhood while grooming all her three sons as tennis players of repute ('Sport' page, "Maggie' Amritraj breathes her last", April 21).

CORRECTIONS & CLARIFICATIONS:

The lead story, "Sri Lanka names local Islamist group for Easter Sunday blasts" (April 22, 2019, early editions), erroneously stated that the country's National Security Council had decided to enforce a state of emergency. Actually, it is President Maithripala Sirisena who has the powers to do so.

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