

The shape of growth matters

Some recommendations in NITI Aayog's 'Strategy for New India @ 75' are a cause for concern



ARUN MAIRA

While there are many refreshing improvements in NITI Aayog's 'Strategy for New India @ 75' from the erstwhile Planning Commission's plans, there are also concerns about some of the strategies recommended.

The intent to change the approach to planning from preparations of plans and budgets to the creation of a mass movement for development in which "every Indian recognises her role and experiences the tangible benefits" is laudable. The strategy affirms that "policymaking will have to be rooted in ground realities" rather than economic abstractions. It says that stakeholders have been consulted widely in preparing the strategy, which is also something that the erstwhile Planning Commission said. However, what matters is the quality of consultations. It will be worthwhile for NITI Aayog to get feedback from stakeholders on whether it has improved the process of consultation substantially or not.

The strategy emphasises the need to improve implementation of policies and service delivery on the ground, which is what matters to citizens. Its resurrection of the 15 reports of the Second Administrative Reforms Commission and recommendation that they must be implemented vigorously are welcome. The previous government had taken its eye off the ball. It did not put its weight behind the implementation of these well-thought-out recommendations, which had the endorsement of all political parties, by a Commission it had supported.

The meaning of growth

Employment and labour reforms, the second chapter in the strategy, have rightly been given the highest priority, which was not the case in the previous plans. Overall growth is also emphasised by NITI Aayog: "Besides having rapid growth, which reaches 9-10 per cent by 2022-23, it is also necessary to ensure that growth is inclusive, sustained, clean and formalised." However, it is the shape of



"The growth of industry and manufacturing is essential to create more employment." Workers flatten metal scrap on a supply truck in an industrial area in Mumbai. ■ REUTERS

growth that matters more than size. The employment-generating capacity of the economy is what matters more to citizens than the overall GDP growth rate. There is no joy for citizens if India is the fastest-growing economy and yet does not provide jobs and incomes.

The growth of industry and manufacturing is essential to create more employment, and to provide bigger opportunities to Indians who have been too dependent on agriculture so far. Here, too, it is not the size of the manufacturing sector that matters but its shape. Labour-intensive industries are required for job creation. If the manufacturing sector is to grow from 16% to 25% of the GDP, which the strategy states as the goal, with more capital-intensive industries, it will not solve the employment problem. The strategy does say that labour-intensive industries must be promoted, but the overall goal remains the size of the sector. What one measures, one manages. Therefore, the goal must be clearly set in terms of employment, and policies and measurements of progress set accordingly. Indian statistical systems must be improved quickly to measure employment in various forms, formal as well as informal.

The strategy highlights the urgency of increasing the tax base to provide more resources for human development. It also says financial investments must be increased to strengthen India's production base. Managing this trade-off will not be easy. If tax incentives must be given,

they should favour employment creation, not more capital investment.

A big weakness in the Indian economy's industrial infrastructure is that middle-level institutions are missing. Rather than formalising small enterprises excessively, clusters and associations of small enterprises should be formalised. Small enterprises cannot bear the burden of excessive formalisation – which the state and the banking system need to make the informal sector 'legible' to them. Professionally managed formal clusters will connect the informal side of the economy with its formal side, i.e. government and large enterprises' supply chains. NITI Aayog's plan for industrial growth has very rightly highlighted the need for strong clusters of small enterprises as a principal strategy for the growth of a more competitive industrial sector.

Reorienting labour laws

The strategy on labour laws appears pedestrian compared with the ambitious strategy of uplifting the lives of millions of Indians so that they share the fruits of economic growth. It recommends complete codification of central labour laws into four codes by 2019. While this will enable easier navigation for investors and employers through the Indian regulatory maze, what is required is a fundamental reorientation of the laws and regulations – they must fit emerging social and economic realities. First, the nature of work and employment

is changing, even in more developed economies. It is moving towards more informal employment, through contract work and self-employment, even in formal enterprises. In such a scenario, social security systems must provide for all citizens, not only those in formal employment. Indeed, if employers want more flexibility to improve competitiveness of their enterprises, the state will have to provide citizens the fairness they expect from the economy. The NITI Aayog strategy suggests some contours of a universal social security system. These must be sharpened.

Second, in a world where workers are atomised as individuals, they must have associations to aggregate themselves to have more weight in the economic debate with owners of capital. Rather than weakening unions to give employers more flexibility, laws must strengthen unions to ensure more fairness. Indeed, many international studies point out that one of the principal causes of the vulgar inequalities that have emerged around the world is the weakening of unions. The NITI Aayog strategy mentions the need for social security for domestic workers too. This will not be enforceable unless domestic workers, scattered across millions of homes, have the means to collectively assert their rights.

Third, all employers in India should realise that workers must be their source of competitive advantage. India has an abundance of labour as a resource, whereas capital is relatively scarce. Human beings can learn new skills and be productive if employers invest in them. Employers must treat their workers – whether on their rolls or on contract – as assets and sources of competitive advantage, not as costs.

The shape of the development process matters more to people than the size of the GDP. Development must be by the people (more participative), of the people (health, education, skills), and for the people (growth of their incomes, well-being, and happiness). How well India is doing at 75 must be measured by the qualities of development, as experienced by its citizens, along these three dimensions. GDP growth will not be enough.

Arun Maira was a member of the Planning Commission

The music of Mozart

How Titan picked a Western classical tune for the brand



VINAY KAMATH

Titan: Inside India's Most Successful Consumer Brand is a story of innovation, out-of-the-box thinking, and fortitude. It narrates how the Tatas launched a quintessential Indian brand against all odds. Titan's founding managing director, the late Xerxes Desai, had worked with ad agency Ogilvy & Mather (then OBM) to select the signature tune for the brand's television commercials, which was a piece of Western classical music. This extract from the book by The Hindu BusinessLine's Associate Editor recounts how the tune was chosen:

The next move by OBM was in television advertising. Xerxes Desai was a creative person with a keen eye for detail, language and aesthetics. He was a Western classical music and jazz aficionado, and in Suresh Mullick he found the perfect collaborator. Suresh, too, had a keen ear for music, both Western and Indian classical, as all his work revealed.

He had made several landmark short films for Doordarshan in the 1980s such as *Spread the Light of Freedom* featuring the country's top sportspersons running with a torch, and the famous *Mile Sur Mera Tumhara* featuring India's top musicians. He was also the brain behind Cadbury Dairy Milk's successful relaunch campaign in 1981 with the line "Sometimes Cadbury's can say it better than words". Best of all, Xerxes and Suresh shared a great rapport.

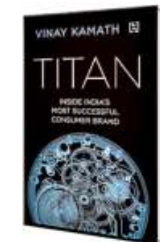
A range of choices

In order to derive maximum synergy, it was decided that the television ad would be an adaptation of the catalogue-style print ad. It was an easy decision to make the watch the hero and showcase Titan's entire range. The big question was what soundtrack should accompany the visuals. A commonly used audio track was to offer a product description, but this was ruled as being too boring and likely to detract from the visual. The second most popularly used track was a jingle. But the success rate for jingles was under 5 per cent. Also, jingles needed to be translated owing to the linguistic and cultural differences across regions, and that made it a challenging task. No one had managed to do this

effectively.

After much discussion, it was agreed that a catchy piece of instrumental music would work best. Here again there were many choices: Indian pop music or classical music were considered and dropped because they did not have universal appeal. That left Western pop or classical. Eventually, they decided upon a piece of Western classical music with mass appeal. Xerxes and Suresh were well placed to make the right choice, given their knowledge and affinity of Western classical music. Suresh zoomed in on Mozart's 25th Symphony, and picked the track from the 1984 award-winning movie, *Amadeus*, on Mozart's life. Jaideep Samarth had picked up the CD for him while holidaying in London. So confident was Suresh that he had a scratch television ad prepared and presented it to the Titan team as an almost finished product. Xerxes immediately liked what he heard of Mozart and decided this was it. He had made his choice. The campaign was proposed and approved in its entirety in one sitting.

■ **Titan: Inside India's Most Successful Consumer Brand**
Vinay Kamath
Hachette India
₹599



This television campaign was a seminal achievement that defined Titan for the next 30 years.

A world-class feel

It was unheard of in the mid-1980s to use Western classical music for an Indian brand aimed at an audience little exposed to that genre of music. But it struck a chord. Xerxes felt the music gave the brand a world-class feel. "Of all the symphonies of Mozart, this one has a tremendous amount of enthusiasm and spirit about it," Xerxes would say. Titan's signature tune would go on to entrench itself so deeply in the public mind that television audiences knew it was a Titan ad the moment the music came on even if they weren't watching.

Subsequent ads used many variations including Indian musical instruments to essay the symphony. As Xerxes said with a chuckle, "I don't know if Mozart will turn in his grave or get up and applaud with the kind of things we've done to his symphony using so many other instruments." Mozart's 25th Symphony remains Titan's signature tune to date.

Extracted with permission from Hachette India

SINGLE FILE

Imran's distorted logic

Instead of justifying the creation of Pakistan, Imran Khan owes Indian Muslims an apology on behalf of Jinnah

MOHAMMED AYOOB



On Christmas, Pakistani Prime Minister Imran Khan tweeted: "His [Muhammad Ali Jinnah's] struggle for a separate nation for Muslims only started when he realised that Muslims would not be treated as equal citizens by the Hindu majority. Naya Pak is Quaid's Pak & we will ensure that our minorities are treated as equal citizens, unlike what is happening in India."

Mr. Khan has no reason to boast about Pakistan's treatment of its minorities and advise India to take a lesson from it. Pakistan is denuded of most of its Hindu population. It threatens the life and livelihood of its small Christian minority through instruments such as the blasphemy law. India's treatment of its minorities may be less than perfect, but for Mr. Khan to suggest that his country's record in this arena is superior is an exercise in vulgarity.

Mr. Khan's attempt to justify Jinnah's "wisdom" in demanding Partition demonstrates his ignorance of the disastrous consequences of this act for Indian Muslims. Partition, by hiving off the Muslim majority areas, reduced the Muslim population of India from more than a quarter to 10%, thus enormously weakening their political clout in the country.

The position of Indian Muslims today would have been infinitely better had India not been divided. Hindu nationalists would have remained marginal in the politics of the country, as they had been before Partition. No one would have said "Go to Pakistan!" if someone expressed genuine concern about discrimination against Indian Muslims, as actor Naseeruddin Shah did.

The Muslim League was established in 1906 to protect the interests of Indian Muslims where they were most vulnerable, namely, the Muslim minority provinces. By demanding Partition, Jinnah distorted the very raison d'etre of the Muslim League by leaving Muslims in the minority provinces far more vulnerable, with their loyalty suspect, than they would have been in undivided India.

Jinnah's two-nation theory should have been declared dead following the separation of Bangladesh, which was home to most of Pakistan's population, from West Pakistan. The massacre of approximately 300,000 Bengalis, 90% of them Muslim, by the Muslim Pakistan army and its local Muslim allies in 1971 should have been enough to thoroughly discredit the theory that Muslims of the Indian subcontinent formed one nation distinct from the Hindus.

For Mr. Khan to justify the creation of Pakistan and the validity of Jinnah's ill-conceived and self-serving theory with reference to the plight of India's Muslims adds insult to the injury that Indian Muslims suffered owing to Partition. In fact, he owes Indian Muslims an apology on his behalf and on behalf of his Quaid-e-Azam for the division of India that rent asunder the Indian Muslim community.

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FAQ

Bickering over a wall

Why the U.S. government has partially shut down

SRIRAM LAKSHMAN

How did it come about?

U.S. President Donald Trump and Congressional Democrats have not reached an agreement on his demand for \$5.7 billion for a wall along the U.S.-Mexico border. The Democrats were willing to back a \$1.6 billion package for border security provided it did not include a wall. Mr. Trump has said he will veto any bills from Congress authorising budgetary extensions for various federal government departments that do not also provide for wall construction. Funding authorisation for parts of the federal government expired last Friday at midnight.

The House had passed a bill last Thursday night that included funding for the government until February 8 and an allocation of \$5.7 billion for the wall. However, on Friday, the bill

did not make it through a Senate vote as it required 60 votes, or the support of some Democrats who have 49 of 100 Senate seats. Negotiations through last weekend failed to produce a resolution.

What is the extent of the shutdown?

The shutdown has impacted several key departments, including Homeland Security, the Internal Revenue Service, the Interior and State Departments. Homeland Security has said border and customs agents will continue to work and the State Department has said it will continue to process passport applications. Some 380,000 employees will be furloughed and others, some 420,000 federal employees, will work without pay during the shutdown, according to a fact sheet released by Democrats of the Senate Appropriations Committee.

What are the stakes?

Mr. Trump has consistently characterised the Democrats as being weak on security and made a campaign promise to build a wall. A few weeks ago, he told the likely future Speaker of the House, Nancy Pelosi, and Senate Minority Leader Chuck Schumer that he would be "proud" to shut the government down over the wall.

After showing some flexibility last week, Mr. Trump has dug his heels in, saying he will get his wall funded, cancelling Christmas at his Mar-a-Lago resort to stay in Washington to negotiate.

A resurgent Democratic party, which will take control of the House of Representatives soon, is keen to flex its muscle and stand up to the President on key issues. It has pinned the shutdown on the President, calling it a "Trump shutdown".

When will it end?

It's hard to say and depends on who blinks first. Earlier this week, Mr. Trump had said that he would pay for the wall from monies saved by the shutdown. The logic of this proposition is unclear as there will be no cost savings with the Senate having approved back pay for all furloughed employees and those working without pay. However, this could be a way for the President to save face with his base while reaching a settlement with Democrats, who have thus far stuck to their position.

With the Mueller probe closing in on his former associates, Defence Secretary Jim Mattis resigning, and the White House in turmoil with senior staffers leaving, Mr. Trump is under increasing pressure.

It looks like the impasse could carry over into 2019.

FROM The Hindu. ARCHIVES

FIFTY YEARS AGO DECEMBER 27, 1968

42 persons burnt alive in Thanjavur village

Forty-two persons were burnt alive last night [December 25] in Kilavenmani, a hamlet 15 miles from Nagapattinam. The victims are said to be mostly Harijans and the gruesome incident followed a clash between two groups of kisans. Twenty-five huts in all were burnt to ashes. The victims are said to have taken refuge in a hut, which was among those destroyed. It is stated in this connection that in Kilavenmani village, Marxist kisans had demanded six litres of paddy as harvest wages, which the landowners refused. Yesterday, harvesting was done in that village with outside labour, it is learnt, from a neighbouring village. While these outside labourers were returning home after the day's work at about 7 p.m. a group of about 200 persons are said to have attacked them, armed with deadly weapons. In the clash that followed one Pakkirisami Pillai, a farm labourer, sustained stab injuries which proved fatal. The outside labourers are then said to have run helter skelter and the attacking mob chased them. Later, at about 10 p.m. another group of 200 persons are reported to have marched to Kilavenmani village, where a clash followed. It is reported that gun-fire was also heard in the course of this clash.

A HUNDRED YEARS AGO DECEMBER 27, 1918.

Historic Gathering.

The present session of the Indian National Congress [in Delhi] has been a great success. Even a casual observer could observe this. It has been in many ways the most representative national gathering that India has ever seen. Not only were there the usual representatives of the different presidencies and provinces of the country, but several hundreds of agriculturists from rural districts were in evidence. The pandal though of huge dimensions was full to overflowing and a seething mass of turbans, caps and bare heads met the eye. The peasants, mostly uneducated people, behaved admirably.

CONCEPTUAL

Trivers-Willard hypothesis

BIOLOGY

This refers to the hypothesis that the sex of mammalian offspring may be influenced by the condition of the mother during her pregnancy. In particular, it states that more boys are born when the pregnant mother lives in a favourable environment with ample access to resources. This is because rich sons can achieve greater reproductive success than daughters who can only produce a limited number of offspring during their reproductive age. The Trivers-Willard hypothesis was proposed by American biologist Robert Trivers and American mathematician Dan Willard in their 1973 paper "Natural selection of parental ability to vary the sex ratio of offspring".

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