

Wednesday, February 2, 2011

## Posco has the last laugh

The volte-face of the ministry of environment and forests in granting conditional environmental clearance to the proposed steel plant of Posco near Paradip in Orissa barely six months after stumping it on grounds of violation of the Forest Rights Act is inexplicable to say the least. The wrangling between the state and the environment minister on the issue has eventually turned out to be a storm-in-the-tea-cup but the resultant time overrun will cost the state and national exchequer dear. Already the FDI flow to the country has slumped by 27 per cent in the wake of Jairam Ramesh's pro-active pursuit.

The entire episode has a farcical tinge with the ministry first stopping work and sending two fact-finding teams to bolster its decision and finally clearing it with 60 additional conditions in spite of their adverse reports. The conditions set seem to be a face-saving device for Jairam Ramesh rather than real solutions. How the steel plant is going to check coastal erosion, undertake disaster preparedness or conserve Olive Ridley turtles, and how these stipulations will be monitored is anybody's guess? Ironically, the ministry now seeks an assurance from the state that forestland to be handed over to Posco is devoid of traditional forest-dwellers, an issue that the latter clarified long ago.

The MoEF's decision has come as a welcome relief to the beleaguered Chief Minister Naveen Patnaik who had staked his reputation on the enterprise. Patnaik who was accused of bending over backwards to accommodate Posco, is all set to renew the MoU with the steel giant that expired last year. The opposition has lost no time in alleging that kickbacks are involved in the rollback of the project. The Posco Pratirodh Sangram Samiti that had been agitating against the setting up of the plant is fuming at the Centre's decision to buckle under what it dubs "diplomatic pressure from the South Korean government" and is all set to intensify its agitation.

The MoEF's turnaround, delayed though it may be, comes as a welcome relief to the industrial fraternity which had been awaiting this decision with considerable trepidation. The approval of the project is expected to chart the nation's growth story positively. What could have been avoided is the climate of uncertainty which was created by the blow hot blow cold attitude of the Centre.

## Expedite the Karmapa probe

The delicacy of the controversy surrounding the 17th Gyalwang Karmapa cannot be gain-said. Not only is it related to religion, but also to the faith of an immigrant community, few of his members have been able to secure full citizenship rights in India presumably because of the dual nature of their loyalty to Tibet and to India. As such, an element of uncertainty hangs over their future. If the Tibetans have so far lived an uneventful life in Dharamshala and elsewhere in India, the reason is, first, their centuries-old connections with India; secondly, the esteem with which their spiritual leader, the Dalai Lama, is regarded, and, thirdly, the sympathy for the community because of its lost homeland to which their eventual return is unlikely in the foreseeable future. Like the Parsis, who fled from Persia to escape the Islamic conquerors, the Tibetans, too, have had to seek shelter in India to escape Chinese persecution.

Given this, any hint that some of the monks may have been misusing Indian hospitality can have damaging consequences. It is imperative, therefore, that the investigations into the affairs of the Karmapa are concluded at the earliest. The need to be expeditious is all the more necessary because the arrests of some of the monk's aides cannot but give the impression of wrongdoing. The reports about the recovery of huge amounts of currency, including those of Chinese denomination, will reinforce such suspicions. It may well be, as has been suggested, that the money are donations. But the question remains as to why they are not deposited in banks.

Beijing, of course, has predictably denied that it had any links with the Karmapa, who escaped from the Tsurphu monastery in December, 1999, to re-enact the Dalai Lama's historic journey from Tibet to India in 1959. Travelling by foot, on horseback, by car, helicopter and train, the Karmapa finally found refuge in India in January, 2000. Although he told the media on arrival that he had wanted to get away from the increasing restrictions placed by the Chinese on his activities, an element of doubt has always remained about the entire episode. These misgivings may explain why New Delhi has not yet permitted the Karmapa to take up his residence in Rumtek monastery in Sikkim, which is the traditional seat of the Karmapas in India. There is little doubt, though, that Beijing will be deluged if the present controversy drags on.

Power & Politics | Prabhu Chawla

# Incredible India at Davos

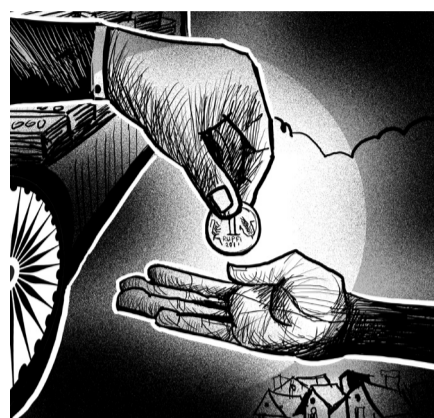
India in Davos 2011 is a disaster story, with Foreign Direct Investment contracting by a stunning 31 per cent in a single year — from \$34.6 billion in 2009 to \$23.7 billion

I wrote this article in a hotel room in Kolkata, after spending most of the evening in my car which was threading its way through an impenetrable wall of pedestrians. After an hour wasted, and an appointment about to be cancelled, I was told that it's the "Book Fair" that was holding up traffic.

I found it hard to believe, as there were only a few who came out of the fair ground with anything resembling a bag of books. "What are they really doing?" I asked the driver in exasperation. Equally bored, he replied in one word, "Adda." It's a talking shop where nothing is traded and nobody loses or gains.

It fits like glove a city like Kolkata, where orators have always outnumbered achievers. What defies logic, though, is why at India's premier chamber of commerce CII, nobody is talking shop; why half the space of a restaurant in Davos during the 41st annual meeting of the World Economic Forum last week was hired for the duration of the entire conference and named "India Adda". If the naming of the place was poorly conceived, so was the high-voltage Indian presence — a battery of heavy hitters including ministers P Chidambaram, Anand Sharma, Kamal Nath and Praful Patel, besides Planning Commission deputy chairman Montek Singh Ahluwalia and unique identity card project chief Nandan Nilekani: all at a state spend of ₹25 crore. Equally impressive was the line-up of corporate bigwigs, from Mukesh Ambani and Sunil Mittal to Chanda Kochhar and Kiran Mazumdar Shaw. The Indian delegation was 130-strong, or 10 per cent of all delegates present. "India Inclusive: Consolidation Phase," read the clever line on the festoon. "India For A Billion Reasons" is the pert title of a coffee table book published by the Union government, with 1,500 copies distributed at Davos.

However, the 'event managers' of the India show were late by three years as nobody in the famous Alpine ski resort today has the patience to hear the old "India Story" that drew applause till 2008 — to the strains of Bollywood music in Zurich — and the line "India Everywhere." In retrospect, the Indian extravaganza at Davos seems as pretentious as the throng of Kolkata's dubious book lovers. By 2009, attendance began falling in India-related events at Davos. In that year not even 20 guests attended an Indian IT czar's evening session. India in 2011 is a disaster story, with Foreign Direct Investment (FDI) contracting by a stunning 31 per cent in a single year — from \$34.6 billion in 2009 to \$23.7 billion. On the other hand, FDI



to Singapore, a country one-fifth the size of the National Capital Region of Delhi, has grown by 122 per cent in 2010 — an astounding \$37 billion. What is rising is the flight of Indian-owned capital from India: estimated an astonishing \$75 billion in the first decade of the millennium, according to a Columbia University study. Against this backdrop, the question that needs to be asked is: Why must the government spend millions of tax rupees to fly its flag at the Alpine jamboree? What object do the evening parties at Davos serve, attended by the same people who usually meet in Mumbai and Delhi for the same purpose — whining and dining.

When put in the China-context, the India story looks even grimmer. The dragon slalomed past the tiger in Davos 2011. China did not have to announce its presence from a restaurant corner, offering samosas as fondue; its aura was felt everywhere. The China-focused sessions spoke more about what China could do for the world than about itself, or its potential. There was no China hoarding visible anywhere. Their delegates numbered just over 20. But hardly a session went without a Chinese face on the podium, or a deferential mention of the country in the proceedings. It was ironic when Min Zhu, a Chinese special adviser to the IMF, not only stole the show in a discussion on India — addressed among others by Chidambaram and ICICI Bank chief Kochhar — but also advised Indians quite magisterially on how serious they ought to get on the inflation problem.

Inflation was the thorn in India's side when the delegates met others privately or interacted with the media. With 25 basis points hike in RBI's interest rate in response to spiralling inflation — the seventh in the financial year — there wasn't much wall left for the Indians to be pushed back to. In view

Ahluwalia has forgotten that if the government restores even 10 per cent tax on capital gains, the country would earn much more money than it spends as subsidy on kerosene oil. But how will the cut in subsidy impact on the poor man? Must he die? Who cares? As India burns, its leaders ski

of rising prices, will India welcome FDI in multi-product retailing? As this obvious question came up, commerce minister Anand Sharma's laboured reply — that intending MNCs (read Wal Mart) must have the back office infrastructure (read cold chain, etc) — revealed basic political instinct which his colleagues sadly seemed lacking. They made false promises that legislative changes were on the cards to make agricultural markets middlemen-free. Only those with little stake in electoral politics can say this.

There were plenty more reasons for India to keep a muted profile at Davos 2011. The country has just clocked a current account deficit of \$15.8 billion in July-September 2010 — a bewildering 72 per cent increase on the previous year's \$7.26 billion. Current deficit being the difference between export and import without counting capital flows, its sudden expansion shows a lower growth in services receipt, despite a reported global recovery in the ICE (Information, Communication, Entertainment) sector. It is expected to further widen, if crude price pierces the \$100-a-barrel ceiling. Why is India lagging behind in the ICE sector? No one had a clear explanation. Infosys CEO Kris Gopalakrishnan tamedly said that Europe's debt crisis was the culprit, and so was domestic inflation which was pushing up wage expectations. While Bangalore trotted out excuses, Silicon Valley strutted about confidently. On other occasions, the corporate picnicers from India, a cheery band of revellers, never missed an opportunity to lambast their country on the Swiss soil, where much of nearly \$700 billion of Indians' graft wealth is reportedly parked. Rahul Bajaj, India Inc's oldest Davos hand, sagely remarked that black money was a "factual thing" and that the public would "like to know the details"

of government investigation into it. Anand Mahindra, the Scorpio King, eager perhaps, to display his familiarity with films, announced that one doesn't need "an Inspector Clouseau to bring back all the black money," — all these wisecracks reeled off in a hurry before catching the ski lift.

Looking back, it seems India's public image planners — be it global or national — are grappling with a problem of perception. Poverty is an integral part of the Indian reality; one successive regimes have tried to wish away. In 2004, the BJP, in a suicidal moment coined the phrase "India Shining" and is still paying for it. "India Inclusive" is closer to reality, though a self-reminder and not a catch-line. Twenty-seven per cent of India's 1.2 billion citizens are below the poverty line, or 322 million Indians. This number was about the same in 1991. Chidambaram sounded unconvincing when he told a conclave that the poverty alleviation programmes of the UPA government were reaching out to all the poor, "except maybe the last 100 million." Well, that's quite a lot more than the population of, say, Germany.

I wish to conclude with a word on Montek Singh Ahluwalia who is a brilliant economist in theory but is increasingly exposing his disconnect with the political process. A few weeks ago, he came up with some abstruse theoretical defence of the infamous 2G Spectrum allocation and condescendingly referred to the CAG — a constitutional functionary — as the "gentleman" who perhaps got his sums wrong. At Davos, he was rooting for withdrawing subsidy on petrol and diesel because, as he declared airily, "that's a subsidy to rich car owners." Ahluwalia has conveniently forgotten that if the government restores even 10 per cent tax on capital gains, the country would earn much more money than it spends as subsidy on kerosene oil. But how will the cut in subsidy impact on the poor man — one among the 322 million — whose daily meal budget is no more than ₹20? Must he die? Who cares? As India burns, its leaders ski ■



About the author: Prabhu Chawla is the Editorial Director of The New Indian Express



**P Chidambaram:**  
Union home minister

"I am happy to agree with the leader of the Opposition that the matter was discussed. There could not have been a disagreement (on Thomas's name) without a discussion. She made her points, the other members of the committee made their points."

**Khaled Ezzat:**  
A protestor, commenting on ElBaradei replacing Hosni Mubarak

"(Mohamed) ElBaradei won't do. He doesn't have the experience here and he's weak."

**B S Yeddyurappa:**  
Karnataka chief minister

"There is a conspiracy to eliminate me through black magic. The same people who unsuccessfully tried to unseat me through black magic are conspiring again to end my life. I am not even sure if I will return home after visiting Vidhana Soudha."

Letters to the editor

## On the backfoot Obama might support Egyptians

Sir, Of course, Hosni Mubarak is in power precisely because the US meddles in the country's foreign affairs. If Barack Obama decides to support the revolution it won't be out of any higher principle than shooting a lame horse so that they are able to back the next winning ride. The chickens have come home to roost — **David Peniel, Tiruchy**

### Unrest in Egypt

Sir, The 30-year-long oppressive and repressive rule of President Hosni Mubarak in Egypt is now in trouble with the political fabric of the country in a shambles after unprecedented uprising. This unrest is fully supported by the country's incumbent defence minister, Mohammed Tantawi, who is also the commander-in-chief. The dissent and defiance is unrelenting despite some appeasing steps like the appointment of Ahmed Shafiq, a former air force chief, and Omar Suleiman, the long-serving Intelligence head, as vice president. No longer can this protest be ignored.

R Sampath, Chennai

### Mubarak should resign

Sir, The people of Egypt have come to the streets with anger at poverty, repression, unemployment and corruption. The discontent of the people over the Egypt's governing system has led to street protests. The economy of the country is dependent on US aid and money for its oil reserves. It is not a country with a strong industrial base. In the best interest of the people, the president should resign and ensure free and fair elections.

Sravana Ramachandran, Ooty

### Bharat Ratna for Vajpayee

Sir, The news report 'Sushma, Jaitley differ on Padma for Brajesh' (TNSE, January 30)

makes interesting reading. It is reported that while Sushma Swaraj was sore over the award of Padma Vibushan award to Brajesh Mishra, adviser to A B Vajpayee when he was prime minister, Arun Jaitley had welcomed it. Conferring of award on Brajesh cannot be disputed and the government has done the right thing. However, it is sad that the government has not thought about conferring the Bharat Ratna on Vajpayee.

R Vijaya, Chennai

### Cruel US authorities

Sir, It is obnoxious to note the treatment meted out to Indian students, who were duped by the Tri-Valley University, by authorities in the US. No civilised person can justify the action of radio-tagging the students. Indian students are neither criminals nor lawbreakers. In fact if any action has to be initiated then the US government must punish the official who connived with the California-based fake university which duped innocent foreign students. The silence of the US government is despicable and the ministry of external affairs in India must not only register its strong protest but also initiate action to help the students.

Krishnaswami, e-mail

### An accreditation system

Sir, This refers to the edit 'Underbelly of foreign education' (TNIE, February 1). With

the humiliation meted out to the 1,500-odd Indian students studying at the Tri-Valley University in United States, and exposing the trafficking of Indian students by foreign 'universities', the suggestions made for working out a scheme to set up an accreditation system for consultants seems to be worth noting. The government of India should advise the various embassies in India to check the credentials of the universities in their countries before granting visa to prospective students.

R Murali Kumar, Srirangam

### Strange are the ways of US

Sir, The US government and its administration have strange ways of incurring the wrath of its friends and foes alike. India has good relations with the US and the recent radio-tagging of Indian students have shaken this bonhomie and sullied the image of USA among many Indians. What is ironical is that the fault lies with the US authorities who issued visas but chose to penalise the victims. No wonder America is fast losing all its friends.

P R Sundaresan, Chennai

### Shameful episode

Sir, This refers to the edit 'Underbelly of foreign education' (TNIE, February 1). It is shocking that Indian students in the US have been treated like criminals and radio-tagged

due to the Tri-Valley University scam. While the act of the United States authorities deserves condemnation, the craze of our students for foreign university degrees is also a reason for this shameful episode. As rightly raised in the edit, it is the fault of the various US consulates in India in granting visas to an unaccredited, non-existent university which has landed our students in trouble. The government should waste no time in seeing that the students are cleared of the charges and freed early.

S Nallasivan, Tirunelveli

### Media taking sides

Sir, The edit 'A report that is perfunctory' (TNIE, January 31) is biased and prejudiced against the Sangh Parivar. The sarcasm against the commission's reference to religious conversions is grossly unfair, as this is the root cause of many of the riots taking place in communally sensitive areas. Even the apex court judgment in Graham Staines case contained some striking reference to this fact. This is not to suggest that the objectionable activities of some of the fringe elements of the Sangh Parivar should go unpunished. It goes without saying that the unlawful activities of any organisation should be dealt with ruthlessly, without taking sides for political or other reasons.

S Arunachalam, Chennai

Please send your letters to: letterschennai@expressbuzz.com