

Ganguly's new innings

Popularising domestic cricket should be high on the agenda

Sourav Ganguly's anointment as president of the Board of Control for Cricket in India (BCCI) is hardly a surprise. Ever since retiring from the game, Mr Ganguly, unlike most of his illustrious contemporaries, has taken a keen interest in administrative matters. He joined the Cricket Association of Bengal (CAB) as joint secretary in 2014, before succeeding mentor Jagmohan Dalmiya as president the following year. Mr Ganguly is also the first cricketer since the Maharaja of Vizianagaram in 1954 to hold the top post at the BCCI. Mr Ganguly's elevation comes at a time when the

national team finds itself in a rich vein of form, but several underlying administrative and policy issues continue to linger. The Vinod Rai-led Committee of Administrators (CoA), which will demit office at the conclusion of the BCCI annual general meeting on October 23, has been nothing short of a failure, with its incompetence in dealing with the International Cricket Council (ICC) on revenue matters coming in for particular flak.

It has also been unable to fully resolve the long-standing "conflict of interest" issue — which, ironically, Mr Ganguly himself has been accused of in the past — with many for-

mer cricketers and administrators still flourishing in multiple roles. Moreover, the CoA's tumultuous tenure will be remembered for the infighting between Mr Rai and fellow member Diana Edulji, the puerile nature of which was revealed in their differing opinion on the extent of punishment to be delivered to Hardik Pandya and K L Rahul. The two had made certain unsavoury remarks on a popular talk show.

At this time of uncertainty, what the BCCI desperately needs is a strong leader who can take tough decisions, something that Mr Ganguly — as he showed during his time as captain of the national team — has an excellent appetite for. His first stop must be domestic cricket, whose overall health needs urgent tending to. Despite the huge money that has been poured into improving cricket infrastructure around the country,

domestic games continue to be played in empty stadiums and on awful pitches. Popularising the Ranji Trophy and other domestic competitions, as well as ensuring that states keep churning out world-class talent, should be high on his agenda. Encouraging more international players to turn out for their respective states could be a major boost in that direction.

Another challenge is helping India over the line in major tournaments, a problem that Mr Ganguly has already highlighted. Despite regularly making it to the semi-final in ICC tournaments in the past few years, India hasn't won one since the 2013 Champions Trophy. Even as improvement in that respect will require fixing things on the field, Mr Ganguly, if needed, is exactly the kind of figure that can stand up to Virat Kohli and Ravi Shastri, the all-powerful cap-

tain-coach duo that has had a telling say in key decision-making in Indian cricket in recent years.

Equally crucial will be the need to negotiate with the ICC on the revenue front. According to the model drafted in 2017, India will get \$293 million across an eight-year cycle; reportedly, the board had demanded \$570 million, given that it contributes more than 75 per cent of the overall revenue. The sum is pivotal for the expansion of the sport since the BCCI has 37 Ranji Trophy teams to look after — more domestic teams than anywhere else in the world.

But more than anything else, Mr Ganguly's focus will be on keeping the sport clean. Notorious for incessant corruption and politicking, the BCCI under him must build a brand new reputation, one of probity and decency. He has a job on his hands.

The five-trillion math

Following the recent sharp dip in growth, India is likely to take another 10 years to become a \$5-trillion economy — double the timeframe set by the prime minister

ALOK SHEEL

India's gross domestic product (GDP) in 2018-19 is estimated at \$2.75 trillion (the International Monetary Fund's figure is \$2.71 trillion) at market exchange rates. Prime Minister Narendra Modi has set an ambitious target of a \$5 trillion economy by 2024-25. This is meant to be a challenging aspirational target rather than a projection.

But is it a feasible and virtuous target? According to the Economic Survey 2018-19, assuming an inflation rate of 4 per cent, a rupee depreciation rate of 1.4 per cent (\$1 = ₹75 by 2024-25) India needs to grow at a real annual rate of 8 per cent (12 per cent nominal) to get there.

The rupee, however, depreciated at twice this rate (2.8 per cent) over the last five years. If one were to work with an annual depreciation rate of 2.8 per cent, the \$5 trillion target would be reached in 2025-26.

A similar simulation using India's GDP denominated in dollars for the year 2018-19 indicates the target can be reached by projecting a nominal annual growth rate of 12 per cent. This, however, makes no provision for the depreciation of the rupee. This depreciation is reflected in the real growth rate of 8 per cent. If the real growth rate of 8 per cent is used instead of the nominal 12 per cent, the \$5 trillion target will be reached only by 2026-27.

The basis on which the Economic Survey 2018-19 used a nominal growth rate of 12 per cent (and a real growth rate of 8 per cent) for its projections is unclear. Average annual nominal growth over the last five years was 11.1 per cent. Sustaining a nominal GDP growth of 12 per cent, and a real growth of 8 per cent, over the next five years, was unlikely even at the time the target was announced. This has become even more improbable following the recent sharp downturn in growth.

It is consequently both interesting and useful to look at different spreadsheet-based scenarios estimating the likely size of the Indian economy going forward, working with the averages of the last five years — a nominal GDP growth of 11.1 per cent, annual depreciation rate of 2.8 per cent, and inflation rate of 3.6 per cent (GDP deflator).

Two separate methods have been used in the simulations. In the first, working with the 2018-19 GDP in dollars, the annual depreciation rate is kept constant at 2.8 per cent, with real growth varying between 8 per cent, 7 per cent, 6 per cent and 5 per cent. In the second, working with the GDP in rupees growing nominally at 11.1 per cent per annum, the rate of depreciation is used as the variable, instead of the growth rate.

The received wisdom is that while exchange rates are volatile over the short run, over the medium- to long-run with which we are concerned in this exercise, they reflect the inflation differential between the concerned countries. Over the last five years there has indeed been a close fit between the average depreciation rate of 2.8 per cent and the difference between US and Indian (new series) consumer price inflation (3 per cent).

The summary of the simulations according to both methods can be seen in the Table. The results are almost identical in both methods. They indicate that the 2024-25 target can be reached only with a real growth rate of 10-10.8 per cent per annum, as against 8 per cent projected in the Economic Survey of 2018-19. A real growth rate of 8 per cent would result in achievement of the target only by March 2027, while 7 per cent will deliver by March 2028, 6 per cent by March 2029-30, and 5 per cent by March 2031-32.

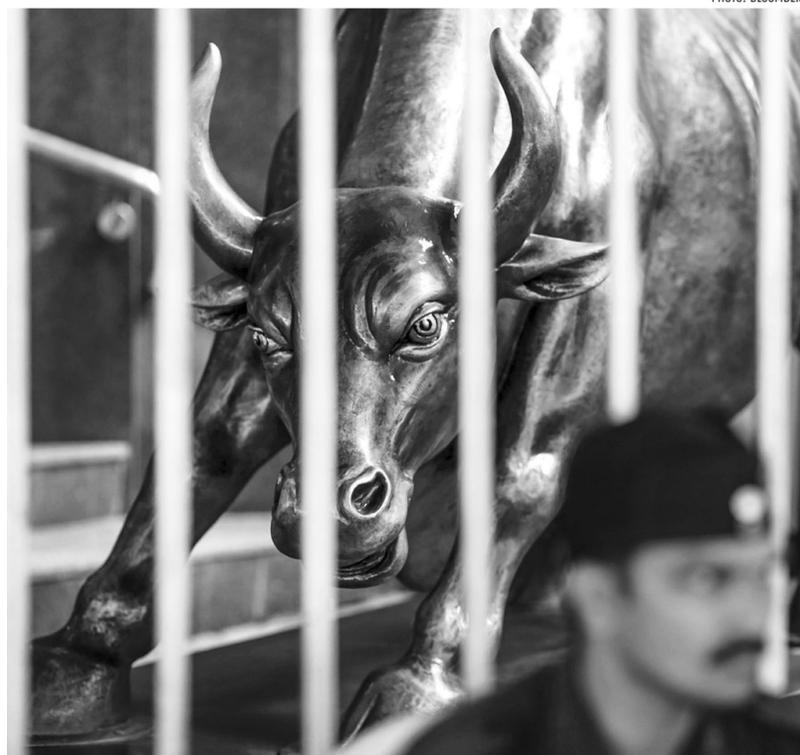


PHOTO: BLOOMBERG

A robust growth rate going forward would enable India to catch up with Germany and Japan in terms of GDP

The likelihood therefore is that it will take at least 10 years to become a \$5 trillion economy. India is already the world's third largest economy at purchasing power parity (after the US and China), and the fifth largest (after the US, China, Japan and Germany). A robust growth rate going forward, such as the \$5 trillion aspirational target implies, would enable India to overtake, or at least catch up with, Germany and Japan in terms of aggregate GDP at market exchange rates.

While aggregate GDP gives a country's government access to large tax revenues to project hard power, arguably the single best measure for the well-being of citizens — soft power — is per capita GDP or income. Sustained rapid growth during the first decade of the current century enabled India to vastly reduce absolute poverty and transit from a low-income country (below \$996 income per capita according to World Bank criteria) to low-middle-income status.

India, however, remains the only G20 country in the low middle income (below \$3,896 per capita) category, with a per capita income of \$1,878 in 2018-

19. Its global ranking in per capita GDP is 144, about half that of Indonesia, Sri Lanka, South Africa, Iran and Iraq, and less than a quarter that of Brazil, Mexico, China, Turkey and Malaysia.

Working with the UN Population projections 2019, in all the above scenarios India would remain a low middle income country with a GDP per capita just above \$3,000, compared to \$1,878 in 2018-19. It would need to grow at a real rate of 8 per cent to become an upper middle-income country by March 2031, at 7 per cent by March 2033, and at 6 per cent by March 2036.

A more virtuous target befitting a democracy would be to transit to the upper middle-income category by, say, 2030, around the level Sri Lanka and Indonesia are today. The \$5-trillion economy would be an automatic milestone on the way. India would however still remain very far from escaping the middle-income trap of \$12,055 per capita to significantly enhance its soft power by joining the elite high-income club currently comprising about 65 countries.

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Assumption: Nominal growth 11.1% pa			Assumptions: Rupee depreciation 2.8% Inflation 3.6% pa		
Depreciation (%)	Implied real growth (%)	\$5 trillion achieved	Real growth (%)	\$5 trillion achieved	
0.3	10.8	Mar 25	10	Mar 25	
3.1	8.0	Mar 27	8	Mar 27	
4.1	7.0	Mar 28	7	Mar 28	
5.1	6.0	Mar 30	6	Mar 29	
6.1	5.0	Mar 32	5	Mar 30	

Self-reliance in defence is a long way away

PREM VIR DAS

On September 28 Defence Minister Rajnath Singh commissioned the second of six Scorpene submarines (Khanderi) and launched the first Project 17A frigate (Nilgiri), both at Mazagon Docks Ltd (MDL). A few days earlier, he had flown in a LCA (Tejas) fighter aircraft built at Hindustan Aircraft Ltd (HAL) in Bengaluru. Some months earlier, a 155 mm gun based on the Swedish Bofors design had been test-fired successfully by the Defence Research and Development Organisation (DRDO). These appear to be impressive steps on the march towards self-sufficiency in defence production. It is necessary, however, to give them context.

Khanderi was not really "made" in India; "assembled" would be more appropriate. The design is French, as is almost all of the equipment; dozens of French technicians helped those from MDL to fabricate the platform and put things together. The gun for the army is also of foreign design (Bofors), with many components sourced from outside, and came 33 years after the first induction through import. Nilgiri and Tejas were indigenous systems — the first was conceived in-house by the navy and then built with a predominantly indigenous package, while the second has gone through three decades of design and trials by DRDO/HAL, with some already inducted by the air force, albeit not fully operational to desired performance.

All four systems emerged from defence public sector undertakings (DPSUs) or organisations, with varying degrees of private sector participation. These examples are different from the "licensed production" of different military systems for the armed forces over the last several decades, principally aircraft like Jaguars, MiGs, Sukhois and mechanised vehicles like BMPs, T72 and T90 tanks and the 130mm gun, once again all in DPSUs. Some assemblies and sub-assemblies for these systems came from private companies, based on orders given to them, but the final product emerged from the particular DPSU or DRDO. The one instance of substantial private sector involvement in the production of a major platform is Larsen & Toubro, which fabricated the hull of the nuclear submarine of Arihant class.

Two categories of Make in India are underway in the defence sector. The first involves collaborating with a foreign agency and building the platform in India, based on the design, knowhow and equipment provided by it. In the second, the design is developed by us "ab initio", and much of the machinery and equipment is Indian. So far, both categories, with a few exceptions, have been pursued through the DPSU/DRDO route. The policy now is to induct the private sector as a new player, but its record so far is mixed. Efforts to build simple Offshore Patrol Vessels at Pipav shipyard by Reliance ADAG have been disappointing, but those by L&T have

shown potential for further investment through orders for more ships.

Years ago, the then DRDO chief APJ Abdul Kalam summed up the issue succinctly during a chance meeting at one of his major laboratories in Visakhapatnam: "It is not 'know how' (read licensed production) that is so important; it is 'know why'. While the first will be passed on by foreign companies and can be added to incrementally, it is the second that is more critical, and expertise which no one will share with us. So, there is no option but to generate it ourselves. It will take time, which is why the sooner we start on this road the better." The ability to design is critical — an essential prerequisite to self-sufficiency in defence production.

The navy created its own design organisation over five decades ago and has nurtured and expanded it. Classes of ships like the Godavari, Brahmaputra, Delhi, Shivalik, Kolkata and now Nilgiri, with an aircraft carrier under construction, have all flowed from initial sketches made by its young naval designers based on staff requirements projected to them and later expanded into more comprehensive drawings and then model-tested in tanks. These are converted into thousands of production folios at the shipyard and then given physical form. Such a platform can be sold abroad competitively but the ability to produce the required numbers has to be created. This is true of the LCA and ALH, both DRDO-designed products.

The way ahead lies in strengthening the expertise that exists in the DPSUs and DRDO, which can offer an export option. Concurrently, we should incentivise chosen private sector performers to meet those needs of our armed forces where we are critically short and to meet which there is insufficient capacity in the public sector. These companies (read strategic partners) can only do this through foreign collaboration, as their own capabilities will take many years to develop. This is especially true of air and underwater platforms. However, to expect this route to provide an export possibility is simplistic, as most countries, certainly India, will prefer to buy such military hardware outright from the original manufacturers.

Ultimately, if India is to become self-sufficient in defence production, it must be able to design its own platforms and manufacture the equipment and weapons systems that will go into them. This possibility exists only in a few areas (highlighted above), and strenuous efforts are needed to augment capacities and capabilities. In the meantime, there is no option but to seek foreign collaboration for projects such as the MMRC and next-generation submarines. But as Kalam said, self-sufficiency ultimately depends more on "know why" than on "know how". We have some way to go before we get there.

The writer is a former Commander-in-Chief of the Eastern Naval Command. He has also served as member of the National Security Advisory Board

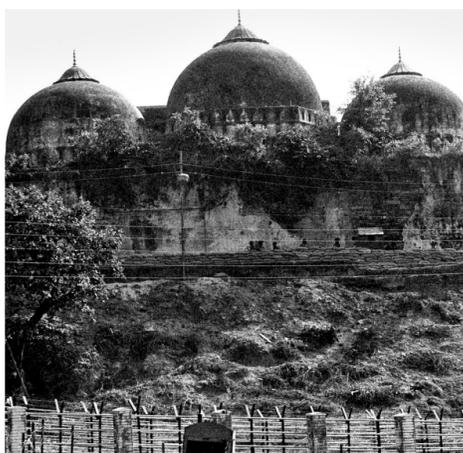
OTHER VIEWS

Mediation the only way to deal with Ayodhya dispute

There can be no judicial standards to settle faith-based arguments

It has taken 70 years for the Babri Masjid-Ram Janmabhoomi litigation to come close to finality. The appeals against the Allahabad High Court's judgment on the title-suits filed by both Hindu and Muslim parties have been heard by a five-judge Bench of the Supreme Court for 40 days. The court has reserved judgment after hearing impassioned, sometimes acrimonious, arguments. Suits were filed over the years by both sides. As the final verdict is awaited, it cannot be forgotten that the demolition of the disputed structure in December 1992 was an egregious crime against the country's secular fabric and its constitutional ethos. The purported evidence of a Hindu structure beneath the mosque came up only in excavations made after the structure was razed.

Any decision made on such evidence, which would not have been available to the court if the suits had been disposed of in earlier decades, might amount to the judicial system legitimising the demolition. Even otherwise, the fact that a modern democracy should have been saddled with litigation motivated by historical revanchism is execrable in itself. There can be no judicial standards to settle a faith-based argument. There is some talk of a "settlement" based on mediation efforts



at the court's behest. A mediated settlement would be welcome, even though it is not clear if all sides are on board. However, if the outcome is not to be based purely on the rule of law, it would be better there is a mediated settlement.

The Hindu, October 18

Nutrition is no puzzle

Invest in health and sanitation

Last year, the Centre launched the National Nutrition Mission (NNM) to ensure a "malnutrition free India" by 2022. The Global Hunger Index (GHI), released on Tuesday, has sobering figures for this inter-ministerial mission. India is one of the 47 countries that have "serious levels of hunger", according to the study. However, it is also clear that providing nutritious food to the country's children is more a matter of political will and effective policy implementation at the grass roots level than solving a difficult puzzle. For example, in May-June, the Acute Encephalitis Syndrome (AES) outbreak in Bihar bared the failure of the Integrated Child Development Scheme (ICDS) in the state.

The ICDS has also been vexed by disagreements over the constituents of the mid-day meal programme. In the past four years, the Centre has increasingly laid emphasis on the use of "fortified varieties" of salt, wheat flour and edible oil. A section of policy-makers have also advocated the use of Ready To Use Therapeutic Food (RTUF). Also, as a study published, this week, in *PLoS Medicine* shows, long-term investments in health, sanitation and nutrition are far more effective in preventing deaths due to severe acute malnutrition than measures such as RTUF. The NNM would do well to keep such studies in mind.

The Indian Express, October 18

Men will not share power

But more women are needed in politics

There is now substantial political literature to suggest that having women political representatives aids the case of gender equality. Not only is this because women deserve equal rights of representation as men, but because they are sensitive to issues which, at best, either escape the attention of male representatives, or, at worst, are ignored deliberately due to embedded patriarchal structures. This was the rationale behind the Women's Reservation Bill, providing 33 per cent reservation to women in legislative bodies, which has been languishing in Parliament for decades.

That is why it is disappointing to see that political parties, despite paying lip service to the issue, still do not

put up an adequate — let alone equal — number of women candidates in elections. Take Haryana, where gender inequality is rampant, most visibly manifested in the skewed sex ratio. The *Hindustan Times* reported on Thursday that in the upcoming state assembly polls, the Bharatiya Janata Party has fielded 12 women candidates in 90 seats; the Congress has put up 10 candidates; the Indian National Lok Dal has 15 candidates; and there are only 23 independent women candidates out of 343. Men make up over 90 per cent of the candidates. The state assembly polls indicate that the battle for women's representation will be long and hard.

Hindustan Times, October 18