

Pragati

The Indian National Interest Review

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A leap of faith

In all likelihood, Benazir Bhutto will return to Pakistan by the end of the year. Democracy, however, will have to wait. Unless there are dramatic twists in the plot, Gen Pervez Musharraf will continue as president, although he might be compelled to step down as army chief. Ms Bhutto's Pakistan People's Party (PPP) will be accommodated in power and she is likely to replace Shaukat Aziz as prime minister.

This arrangement may be projected as a return to democracy, but unless this outcome is the result of free and fair elections, in which Nawaz Sharif and his party are allowed to contest, it cannot even be regarded as the first step in Pakistan's journey towards democracy. The political developments in Pakistan call for a re-assessment of India's policy positions *vis-a-vis* Pakistan and Gen Musharraf. India should prefer a more democratic dispensation in Pakistan but should harbour no illusions that democracy will mean greater peace or stability. The United States, on the other hand, should broaden its engagement of Pakistan, for the returns from its current policy of paying off the rent-seeking army have almost fully diminished.

Will a Pakistan under Prime Minister Bhutto and President Musharraf be any better for India? Not quite. Much depends on the political resultant of the interests of various factions within the military establishment. In other words, Pakistan's policy towards India will depend on whether its army's incentives have changed. This will continue to be the case regardless of the type of government, or indeed, the wishes of the prime minister.

Realists will argue that what really matters is the balance of power. Where it is in India's favour, Pakistan is unlikely to initiate conflict. Yet it is impossible for India to tilt the scales in its favour at all times and at all levels of conflict. Who rules Pakistan, therefore, is not as important as to how stable the balance of power is. From this perspective, there is little reason to be excited about the prospect of elections, democracy and an ex-serviceman as president of Pakistan.

This is not to say that a return to elections and civilian governments is unimportant. Elections offer an infinitesimal amount of hope that Pakistan will one day become a normal, stable state. But we must acknowledge that our preference for democracy is primarily the result of our own biases, which in turn arise from our values and experience. In other words, supporting democracy in Pakistan is a leap of faith.

Nevertheless, it is a leap that India must take.

Pakistan - at the crossroads again

Crunch time for the general

Musharraf faces the need reconfigure his regime to ensure his survival

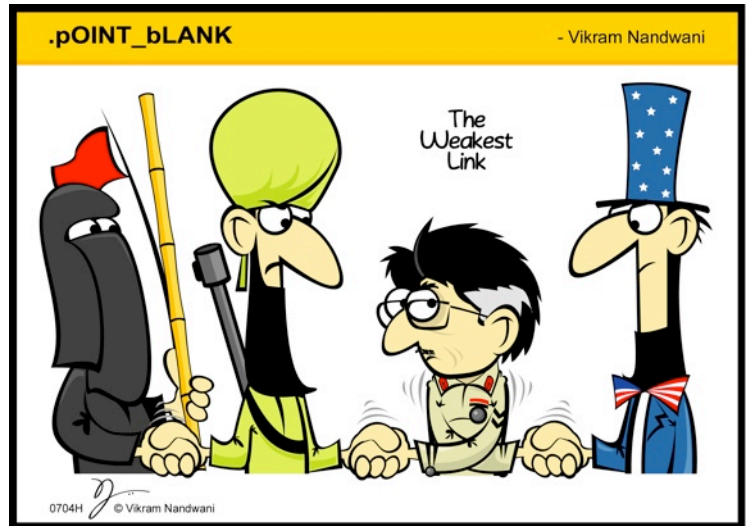
NITIN PAI

These days, the international media is full of headlines declaring that Pakistan's dictatorship is shaky, Gen Pervez Musharraf is embattled and his grip is faltering. One Pakistani commentator warned of a creeping coup, while B Raman, easily among the most well-informed commentators on such matters, wrote about the looming jihadi anarchy in Pakistan.

Despite the death toll, the intramural war in Waziristan between pro-al Qaeda Uzbeks and the equally pro-al Qaeda Pakistani Taliban is a distraction. It is giving Gen Musharraf's government some additional talking points to respond to criticism that they have effectively ceded control of parts of the tribal areas to the Taliban. But the government is not beating back Taliban forces from gaining ground in Pakistan.

Here's what is actually happening: the Taliban are doing to parts of Pakistan's North West Frontier Province what they did to Afghanistan in the mid-1990s. They are in de facto control and are forcing barbers into reconsidering their professional careers. And a bunch of madrasa 'students'—the Taliban, in other words—are thumbing their noses at the Musharraf government right in the middle of Islamabad. They too are forcing music stores and brothel managers to reconsider their career choice (or at least business location). So are the Islamists taking over, as was long feared?

Consider this: the Islamists of the Muttahida Majlis-e-Amal (MMA) political alliance are not serious players in these events. Nor have the 'men in black'—lawyers protesting



What then explains the new shakiness in the dictatorship? It is highly likely that seven long years of Gen Musharraf has created a strong enough constituency within Pakistan's military establishment that is opposed to his continuing as army chief any longer. The resurgent Taliban in the frontier areas and the rampaging 'taliban' in Islamabad are not your average religious fundamentalists (like those that took to the streets to protest against those Danish cartoons). They are both backed by former officials of intelligence agencies who remain the real, albeit, shadowy powerbrokers in Pakistan: Lt Gen (retd) Hamid Gul and Sqn Ldr (retd) Khalid Khawaja are their respective backers. While Mr Raman believes that this

quarter may be unable to contain the monster they created, there should be little doubt that the current manoeuvres are aimed at unseating Gen Musharraf.

And after the Iftikhar Mohammad Chaudhry imbroglio, the general has few supporters left in Pakistan. The United States is shifting gears, with the White House maintaining its public support while Congress and many others calling for him to be held to account. Benazir Bhutto is being dusted off the shelves and is likely to be part of America's emerging policy towards Pakistan.

Therefore, ironically, Gen Musharraf has a chance to do with the manner of his exit what he promised to do all the time he was in power: help Pakistan move towards democ-

Ironically, Gen Musharraf has a chance to do with the manner of his exit what he promised to do all the time he was in power: help Pakistan move towards democracy.

Musharraf's hamhanded treatment of Chief Justice Iftikhar Mohammad Chaudhry—allowed Islamist political parties to hijack their movement. Far from leading the Islamist charge, the MMA is caught up in finding reasons not to resign from the legislatures as it had threatened. Gen Musharraf used to hold them up as a paper tiger to scare the West into believing that an Islamist takeover is never too far away. The MMA's leaders were willing accomplices in this act. But their act is over, at least for the time being.

rary. The faster he comes to a political arrangement with Ms Bhutto the greater the chance that he will be able to prevent a regime backed by the likes of Gen Hamid Gul from taking over. The choice facing the Pakistani people is between a America-backed Ms Bhutto and military-backed puppet. Gen Musharraf can give them that choice by standing down on the Chief Justice and on his own ambitions to stay in power for another five years.

While Islamist parties are still unlikely to secure enough votes to ride to power, they are quite likely to do

much better than ever before. It is a different world now in 2007. An elected government, even with Gen (ret'd) Musharraf as president, will need the army's support to face down the Islamists. For all his much touted liberal achievements, Gen Musharraf has so entrenched the army in the corridors of power—at all levels in the civil bureaucracy—that it is unlikely to return to the clichéd barracks.

And why would the army support a democratic government against the Islamists if the democratic government is also committed to bottling up the military genie?



PHOTO: US DEPT OF DEFENSE

Pakistan - at the crossroads again

Deliver democracy

Pakistan can't become a normal country without democracy. It can't become a democracy without American pushing.

ROHIT PRADHAN

The public outrage and street protests following Chief Justice Iftikhar Mohammed Chaudhry's ouster unnerved the Musharraf regime. Faced with the first real challenge to his authority, Gen Musharraf's ham-handed reaction showed that he remains a dictator at heart. The chief justice was arrested and manhandled, protesting lawyers baton charged and elite

troops were used to storm a private television station and stop coverage of the street protests.

Contrary to the impression the general likes to project, the people of Pakistan are disillusioned with his regime and there exists a yearning for change, if not true democracy. Chief Justice Iftikhar Chaudhry, by refusing to buckle down to the

general's pressure, merely provided the rallying point. Whatever the outcome of the current battle - and despite the weakness of anti-Musharraf forces and a crackdown on the media—the clamour for change is getting louder by the day.

It is essential at this stage that the international community strengthen the hands of the democratic forces in Pakistan. This effort has to be led by the United States since its support—financial and moral—is vital to Gen Musharraf's continued survival.

Given that Iraq has left the United States without the stomach to escalate the war in Afghanistan, there is even lesser reason for Gen Musharraf to wish for an end to the war on terror.

A look at Gen Musharraf's record belies all his claims of 'enlightened moderation'. Even as he is ruthlessly suppressing nationalist insurgencies in Balochistan and in the Northern Areas, he has allowed the Taliban to control large swathes of territory not only in the tribal areas but also in the 'settled' areas of the North West Frontier Province. For someone who claimed to tolerate no challenge to the writ of state, he has buckled down to radical Islamists right in the middle of his capital city.

The Americans have financially supported Pakistan—to the tune of \$10 billion over the last five years—for its cooperation in the war on terror, but have begun to realise that they have not received all that much in return. The low-intensity conflict suits the Pakistani army because it keeps the money flowing. Given that Iraq has left the United States without the

stomach to escalate the war in Afghanistan, there is even lesser reason for Gen Musharraf to wish for an end to the war on terror.

While co-opting Gen Musharraf in the immediate post 9/11 environment made strategic sense, there is little for America to gain by continuing to support him now. His unpopularity is contagious and the United States risks losing what little support it has among sections of the Pakistani people. There is another good reason why the Americans should

be wary of putting all their eggs in Gen Musharraf's basket. The only constant in Pakistan's politics is the overwhelming influence of the army: it could dispense with Gen Musharraf if it decides that he has become too much of a liability.

As long as the army does not engineer it, fears of an Islamist takeover are vastly exaggerated. But keeping Musharraf in power would only strengthen the hands of the Islamists and push Pakistan further down the road to radicalization.

The United States must hold Musharraf to his own promise of stepping down from the position of army chief. It must also compel the army to conduct elections this year and in a free and fair manner. This calls for allowing the return of all politicians forced to live in exile and for the release of those imprisoned for speaking out against the army.

Democratic transition might neither be simple nor without complications. Yet, the world needs a moderate Pakistan. Moderation, though, cannot flow from the barrel of the gun. It requires the power of the ballot.

Politics and policy

The abuse of social justice

An intellectually respectable catch-phrase is being used to disguise politics of entitlement

SHASHI SHEKHAR

The Supreme Court ruling on the Ninth Schedule has exposed that there is a significant percentage of the population that believes that the Constitution in its current form was written for the upper castes and it needs its own set of rules to "right" perceived historical "wrongs". Dr B R Ambedkar would surely be upset with the wide gulf that exists between the Constitution he architected and those who claim his legacy today. The latter has found an intellectually respectable catch-phrase in "social justice" to justify this debunking of the Constitution.

Social justice as understood today challenges the integrity of our Constitution at the cost of subordinating the national interest.

Social justice is generally defined as justice applied to an entire society, largely in the context of economics. In its most popular interpretation it is assumed to give individuals and groups fair treatment and a just share in the benefits of society. The term "social justice" was coined in the 1840s by Luigi Taparelli based on the teachings of Thomas Aquinas. The philosophy propounded by John Rawls in his Theory of

Justice, however, fundamentally challenges the concept as it is understood in India today. According to Rawls:

Each person possesses an inviolability founded on justice that the welfare of society as a whole cannot override. For this reason justice denies that the loss of freedom for some is made right by a greater good shared by others

Even without examining the nuances of Rawls' theory, one can see how diametrically opposite the politics of social justice is to his basic proposition. Rawls makes another interesting observation that strikes at the heart of the recent debate on land acquisition.

To determine whether any particular system of collectively enforced social arrangements is legitimate, (Rawls) argued that one must look for agreement by the people who are subject to it.

In India however, social justice has over the decades come to be perversely interpreted and applied to politically subvert anything: from public debate on serial killings by psychopaths to securing the nation's energy sources. Every issue today is parsed from the prism of this perverse interpretation. One can neither conduct international diplomacy nor prosecute terrorism without offending the proponents of social justice. The discourse on social justice largely remained secular for about five decades after independence. But now we have a new brand of social justice that seeks to apportion "social justice" to religious minorities. Prime Minister Manmohan Singh's recent statement on Muslims having first claim on resources demonstrates that both secularism and social justice have fallen victim to the same type of politics.

This mutant version of social justice has come to dominate all spheres of public discourse, most notable in the English language television news channels. Perhaps to compensate for its perceived elitism, the mainstream English media has been injecting social justice into its reportage on unrelated issues, as demonstrated in NDTV's coverage of the ghastly murders of children at Nithari. Lending this mutation a veneer of academic respectability is the nexus between news channels and a class of social scientists. This combine has dis-

played its colours in recent opinion polls of questionable credibility. These social scientists are also advising the government on a range of "social justice" subjects like affirmative

Social justice has been applied to politically subvert anything: from public debate on serial killings by psychopaths to securing the nation's energy sources.

action and new school textbooks. They have emerged as the intellectual face of the dubious political correctness surrounding "social justice". With two dedicated ministries, Ministry of Social Justice and Ministry of Minority Affairs, the mutation of social justice into preferential rights for minorities on national resources now has full state sponsorship.

There is no effective political challenge to this brand of social justice in India. The BJP may routinely make noises on the mutant communal injustice but has barely taken any steps to tackle the problem's roots. With the political firmament full of a formidable array of leaders who exploit caste, religious and regional parochialism—that emerges as the 'third front' from time to time—the dubious politics of social justice rolls on unhindered with active support from the mainstream media and amenable social scientists.

Additionally, extreme political correctness is silencing opposing voices. The only antidote is a war on "social justice" that attacks the all pervasive culture of entitlement at the heart of its politics. Unless the war on "social justice" begins to be fought and won, the culture of entitlement will not only stifle growth and human development that is already pulling millions of people out of poverty but also divide the social fabric of the country like never before.

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Bangladesh**On the 'front-line'**

India must take the volatile situation in Bangladesh more seriously

HARSH V PANT

While the world's attention remains focused on Iraq and Afghanistan, potentially ominous developments are taking place in Bangladesh. A country that was widely considered a relatively stable democracy in the Islamic world until a few years back is currently under emergency rule, with parliamentary elections having been postponed indefinitely.

After the tenure of the Bangladesh Nationalist Party (BNP)-led government ended last October, political violence became widespread. National elections scheduled for January this year were postponed indefinitely and a state of emergency was declared by President Iajuddin Ahmed with the backing of the country's military.

Despite warnings from the international community that any move toward military rule would have adverse consequences for Bangladesh, the army-backed administration has tightened its grip over the country, vowing to uproot corruption and violence in electoral politics as well as to effectively tackle Islamist militancy.

This has led to the arrest of several high-ranking politicians on charges of graft and even the execution of a few high-profile Islamist militants. After initially attempting to drive both former prime ministers Shiekh Hasina Wajed and Begum Khaleda Zia into exile, the military-led caretaker government executed a U-turn and allowed them to return and remain in the country. A number of criminal charges against them, however, are being used to exert coercive pressure on them.

While military rule might look like the right solution for Bangladesh, in the long-term it cannot resolve the problems of weak political institutions and rising Islamic radicalism and will only hinder Bangladesh's evolution into a stable secular democracy.

Over the years, politics in Bangladesh has grown to overtly revolve around the personalities of its two main leaders. The two are so busy criticizing and trying to undermine each other that they have little time to debate serious issues of governance.

The political struggle between Begum Khaleda Zia's right-of-center BNP and Sheikh Hasina's left-leaning Awami League has turned into a zero-sum game in which the biggest loser is Bangladesh itself. Shunning the give and take of democratic politics, the two parties seem to keep their country perpetually on the verge of chaos, alternating between state repression and crippling national strikes aimed at toppling the government in power.

The increased polarization between the two mainstream political parties has opened up "political space" for extremist Islamic parties that use their newfound relevance as leverage to place their radical agenda at the forefront of Bangladeshi politics.

The growth of radical Islam in Bangladesh owes a lot to the failure of parliamentary democracy and the weakening of civil society over the past few years.

Frequent clashes between the elected government and the opposition have prevented democratic institutions from functioning effectively, draining their legitimacy in the eyes of the masses. This in turn has contributed to the rise of radical Islam, giving political protest a religious outlet.

Religion has succeeded in so dominating political institutions that The Economist called the 2001 parliamentary elections in effect "a vote for Bin Laden,"

given the overwhelming presence of Osama Bin Laden's visage in campaign posters.

After independence, Bangladesh not only had declared secularism to be one of its founding principles but it had also banned religious political parties. As the military became a major political force in Bangladesh over the years, it used the country's Islamic identity to give its rule increased legitimacy and mainstream political parties started using Islam for their own partisan purposes as well.

As a result, religion has come to occupy a central place in Bangladeshi political discourse, and Islamic radicals are no longer shy of openly declaring their ambitions.

After the US invasion of Afghanistan in 2001, the members of Islamiya Okiye Jote (IOJ) - one of the constituents of the ruling coalition led by the BNP - took to the streets chanting, "We will be the Taliban, and Bangladesh will be Afghanistan."

Bangladesh has the third-largest Muslim population in the world, with a reasonable GDP growth rate of 6.1 percent. However, of its 144 million people, 70 million live on less than US\$10 a day. This has made the country an easy target for Islamic radical groups with global pretensions believing in the unity of Umma (the Islamic community of believers) against the West and other non-believers.

Militant groups have percolated into all sections of Bangladeshi society including mosques, seminaries, educational institutions, the judiciary, mass media and the armed forces.

The apparent failure of parliamentary democracy and the radicalization of Bangladeshi politics throws into sharp relief the danger posed by the rapid decay of political institutions in many emerging democracies. A state that was considered to be a model Islamic democracy is now significantly affected by Is-

lamic extremists. The rise of fundamentalism in Bangladesh is a cautionary tale about the dangers of formal, rather than substantive, democracy and the inability of political institutions to bear the weight of rising expectations in the developing world.

Radical Islam has moved in to fill the institutional vacuum created by the partisan rivalry and malgovernance of the mainstream political parties in Bangladesh.

As the military is tempted to play a more active role in politics in the name of "cleaning up the political system," it will only give fillip to Islamic extremists. With the absence of political participation, mosques will become even more influential in shaping domestic political discourse.

While the recent swift action against some Islamist leaders may endear the quasi-authoritarian government of Bangladesh to the international community, in the long-term this is only going to create more problems.

In many ways, the fact that Bangladesh has traditionally been a secular state despite having one of the largest Muslim populations in the world also makes it a "front-line state" in the struggle for the hearts and minds of the Islamic world. This makes it imperative for India and the international community to take the volatile situation in Bangladesh more seriously than they have done so far and call for an early restoration of democratic institutions.

India may currently find dealing with the present government easier and productive, especially as it has swiftly acted against some of the most radical Islamists and expressed its desire to work towards improving Bangladesh's ties with India that have been going downhill for some time now. But it should be under no illusion that this will solve the problem of radicalization in Bangladesh or curtail growing Islamist terror networks there.

In the end, a democratic government representative of the will of the people is probably the best means of achieving any lasting solution that India may desire. Therefore, it should make it amply clear to the military-backed government that the sooner the elections are held, the better it will be for the region

and for Bangladesh itself. India can ill-afford to have another of its neighbours following the trajectory of Pakistan.

Sri Lanka policy

Flying tigers

India is not immune from the LTTE's unconventional air strike capacity

NITIN PAI

The LTTE has carried out three air strikes against Sri Lankan military positions in April. They might not have inflicted significant damage in purely tactical terms, but the Tamil Tigers have crossed a line. Their aircraft have penetrated Sri Lankan air defences, dropped explosives and escaped unscathed. The attacks should count as a major advance in the LTTE's capabilities and strategy.

But this should hardly come as a surprise. The LTTE is a terribly innovative terrorist organisation—it invented the cyanide pill, suicide bombing and is perhaps one of the few such outfits to operate a naval unit—and reports of it acquiring air capabilities emerged about 18 months ago. It is likely that the Indian government knew about this much earlier.

Between 2003 and 2004 when LTTE was engaged in the Norwegian-brokered peace negotiations with the Sri Lankan government, it was also busy developing its air capability. Currently that includes a 1250m airstrip at Iranamadu in the Vanni area, a helicopter and a couple of light aircraft, possibly Czech-made Zlin Z-143s. These aircraft can fly up to 1000km and can carry four persons.

Not quite the traditional air force, but in the hands of an unconventional military force such as the Tigers, this can be put to deadly use. Another advantage of flying small aircraft is that they are less visible on radar and air defence systems that are designed to spot bigger, conventional aircraft.

The LTTE's development of aerial capacity is a threat to India's own security.

Several of India's key military installations—not to mention population centres—are already within range of the LTTE's incipient air force. Unless India

upgrades its threat assessments, surveillance and air defence capabilities in the south, the Tigers might not even need any more sophisticated planes than the small light aircraft that they can acquire. Bear in mind that since its pilots don't always plan to go back home, the LTTE's range is double that of a conventional air force flying the same planes.

Moreover, it is still not too late to assist the Sri Lankan government in destroying the LTTE's planes. And clip the Tigers' newfound wings.

Energy

Clean energy report

Water, wind, air and fire

KIRAN TAURO

There is unprecedented enthusiasm around the world today to rid the global economy of its dependence on oil. There are many reasons for this: the rising prices of crude oil, concerns over peak oil, concerns over environmental damage and the rising political costs of supporting totalitarian regimes.

These concerns are hardly new for India. So it should not be surprising that it has one of the world's biggest and oldest renewable energy programmes. Here are some recent developments:

The Green Oscar Winners from India

The Indian Solar Loan Program was a four-year program launched as a joint effort by the United Nations Environment Program and Indian banking groups in 2003. It has helped set up a market for solar home electrification systems. It involved a customer credit program with interest subsidies and vendor qualification criteria. Today the interest subsidies have been phased out, a bunch of solar vendors have qualified, and the UN has decided to take the lessons learnt to other developing countries. In recognition of its success, the Energy Globe 2006 awards have honoured it with the first prize in the Fire category.

The other winner from India represents a rather famous brand. The founder of the Sulabh toilets, Mr Bindheshwar Pathak has done his bit for general hygiene in India. He won the second prize in the Water category for his Su-



labh Sanitation Movement which has developed a simple and efficient method for producing bio-gas from human waste in public toilets. Using a simple technology called the Sulabh Effluent Treatment it can treat the waste water rendering it odourless, colourless and pathogen-free. The cleaned water can be released back into the environment.

Its showcase project is a huge public toilet with a bio-gas production facility in Shirdi, Maharashtra. It is the biggest such facility (toilet with bio-gas production) in the world and thirty thousand people can use the public toilets per day. Apart from creating sustainable and renewable energy it contributes to keeping the environment clean.

Tapping the Oceans: A few positives emerge as Maharashtra grapples with its worst power crisis in history. One of them is the support to all forms of alternate energy. While the state is promoting wind and solar power, it achieved a new

first by setting up a wave power plant in two coastal villages in Ratnagiri district. This is a very small plant (15-20 KW) by international commercial standards, but similar plants are planned in 15 more villages. It is based on locally developed technology and if successful the state will move to bigger 250 KW plants.

Biomass: Agricultural waste like husk, chaff and straw from rice, wheat and sugarcane can be processed in bio-mass gasifiers to produce gas and eventually electricity. This can help provide electricity to remote villages which are not on the power grid, using locally generated waste. The villagers get electricity and some additional income to pay for it.

Haryana, one of India's premier agricultural states has estimated that 1400 MW can be generated from biomass in the state. In February the state gave out contracts to private power producers to set up 21 plants that will generate 686 MW of power from biomass in

the state. The total setup cost would be about Rs 3,000 crores. At Rs 4.2 crore/MW power prices from these projects compare favourably with that of coal-fired thermal plants, which cost Rs4-4.4 crore/MW depending on capacity.

Solar: Georgekutty Karianapally, an entrepreneur from Kochi has developed a solar incubator. The product interested the researchers at Indian Institute of Technology at Chennai who have taken it up as a project. He has also developed a solar milking machine, and 2W LED lights to replace 15W incandescent bulbs (popularly known as "zero watt" bulbs).

Fresh water from the oceans: Another budding ocean power technology is called Ocean Temperature Energy Conversion (OTEC). The surface of the ocean gets exposed to the sun and can get warm while the bottom remains cold. OTEC aims to use the difference in temperatures between the ocean surface and bottom temperatures to produce power.

India's National Institute of Ocean Technology (NIOT) has built a water desalination plant to prepare fresh water from sea water based partly on principles of OTEC. The plant uses a method that has to heat water, so it uses water from the surface which is already warm, and then this water has to be rapidly cooled for which it pumps up cold water from 600m below the surface.

NIOT had first set up a small plant producing 100,000 liters of water per day at Kavaratti in Lakshadweep. It has now built a barge-mounted plant which can produce a million liters of water per day off the Chennai coastline.

Indigenous and cost-effective: The element that is clearly discernible in these initiatives is the use of local resources to find cost-effective solutions for clean energy. With the world paying increasing attention to clean energy in view of concerns over climate change, the sector is likely to see a more private investment both in R&D and in commercial power generation using clean energy technologies.

Beyond backwardness: rights and autonomy

The debate over reservations masks India's disregard for private property and institutional autonomy

AADISHT KHANNA

Last April, the issue of extending reservations to Other Backward Classes (OBCs) registered itself strongly in the national consciousness.

Anti-reservationists argued that reservation would compromise academic merit and was merely a vote-buying tactic, while pro-reservationists argued that social justice was a goal that far outweighed considerations of merit, or indeed, the motivations of the proposal. The debate took unpleasant directions: those who opposed reservations were smeared as defending upper-caste or upper-class privilege, while the pro-reservationists had casteist abuse hurled at them. In addition to invective, it also descended into endless arguments over data on which OBCs were truly back-

ward, and whether reserved seats would not simply be captured by powerful castes, while leaving actual backward classes as un-empowered as ever.

The descent into madness became almost complete in the past month, with the Supreme Court being attacked for 'legislating from the bench'. We heard statements from politicians on how allowing two individuals to decide the fate of a billion was undemocratic. Never mind the fact that the same politicians seemed content to have five hundred odd individuals deciding the fate of the same billion. One wonders what is the number between two and five hundred at which it becomes 'democratic'.

It is unfortunate that the debate on reservations has shifted so drastically to discussing who is backward and who is not, and who is fit to rule on backwardness and who is not. This continued argument over backwardness distracts attention from two issues: rights and autonomy. This is tragic, because these are far more fundamental.

Let us consider rights first. The Constitution's 93rd amendment which enabled the extension of reservations has its genesis in the Supreme Court's 2005 judgment in *Inamdar and Others vs. State of Maharashtra and Others*. In its judgment, the court upheld the right of private educational institutions to have an admissions policy independent of government control. The 93rd amendment was rushed in to destroy this private right, just as the very first amendment to the constitution was brought in to destroy the right to private property which the Patna High Court upheld in *Kameshwar Singh vs. State of Bihar*.

This is obscene. If a private trust sets up a college without seeking or receiving any support from the government, why should the government have a say over which students it admits?

But the argument is over reservations in IITs and IIMs and AIIMS, which are very much government institutions. Does the government not have a right to set admissions policy in the institutions that it owns?

It does. But here is where the other fundamental issue of autonomy comes into play.

The Union government 'owns' the IITs and IIMs. It therefore has the right

to decide how they will be run in all aspects. This does not, however, mean that it is sensible for it to do so. It is difficult to accept the assertion that it is better for the admissions policy of IIM-Bangalore to be set by the Human Resources Development (HRD) ministry than by its own admissions committee. And all demands for government-enforced reservation boil down to this very assertion: that bureaucrats and politicians are more competent to decide what the universities should do, than universities themselves. Highlighting the absurdity of this assertion is simple: one simply has to extend the argument. If Parliament is better placed to decide which students to take in than the university itself, it must also be better placed to decide what they should eat as well. The menu of IIT Madras's Mega-Mess must also be set by the HRD ministry, with say 15% reservation for proteins, 7.5% for fats, and 27.5% for carbohydrates.

The undermining of institutional autonomy by the government is dangerous. It creates disincentives for students to enter academia. It prevents universities from experimenting to find admissions policies which could accomplish more to improve social equity than the blunt tool of reservations. Most importantly, it prevents new institutions from coming up, and supplying the educational infrastructure that the country really needs.

The drama over reservations is both the cause and the result of India's disregard for property rights and institutional autonomy. Not only do these issues lack political champions, they remain at the fringes of the national consciousness.

Comments?

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We don't need no shackles in education

ATANU DEY



PHOTO: AKSHAY MAHAJAN

At the finest level of detail, an educated individual anywhere in the world is more productive than an uneducated one. At the broadest level, the modern world is more productive arguably modern because it is more educated compared to the world that existed before. The general level of education of the population is a good predictor of its success: education aids development by providing a basis for economic growth.

An educated person is simply more likely to make better informed private choices regarding his or her production and consumption. Aggregated over the lifetime of the individual, that translates into greater individual production and therefore individual income. Individual incomes aggregated over the entire population determine the macro-economic health of the economy. At the public level, an individual indirectly contributes to greater economic development by making informed choice among various public policies. An educated population is more likely to endorse enlightened public policy.

India's present economic standing – both in its successes and its failures – is to a large extent a reflection of its education system. It takes justifiable pride in the successes of its handful of elite institutions of higher education in turning out world-class super-achievers. But that exceptional success of the few should be set against the poor state of the rest of the education system. While nine out of every ten children enroll in primary schools, about half of them pass out without being adequately literate or numerate. Only one out of every ten children makes it to high school.

Every year, India produces around two and a half million college graduates, including 400,000 engineers, but of

varying quality - there is oversupply of raw graduates and the undersupply of employable graduates. For instance, recruiters at Infosys, an IT major, found that only around two percent of over a million applicants met their hiring standards.

The education system is constraining India's success. For India to benefit from a demographic dividend the educational system requires urgent fixing. The government's near-complete monopoly over the education system is perhaps its biggest – and fatal – flaw. Practically all aspects of the system suffer from political and bureaucratic meddling. Who can run schools and colleges, what is taught, who teaches, how much they are paid, who can learn, how much fees are charged, what will be tested and how—every minute detail of the enterprise is rigidly defined and mindlessly enforced. Consequently the system has degenerated to become ineffective, inefficient, and irrelevant.

The most fundamental systemic change required is to completely de-link it from political and governmental bureaucratic involvement. This should have been an easy lesson to learn. From the provision of infrastructure to services, there is an abundance of supporting evidence that liberalization of various sectors of the economy have yielded significant gains. The private sector has demonstrated that it can efficiently provide goods and services whenever it is allowed to function in well-regulated markets. India's greatest enemy is a mindset that presumes that the government knows best. That discredited notion must be urgently laid to rest, not least in the critical area of education.

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Liberalizing the education sector is not going to be an easy task. The economic logic of monopolistic control dictates that the incumbent has entrenched interests in maintaining the status quo. By rationing the limited supply of education, the politicians and bureaucrats extract economic rents. Vote bank politics results in reservations for this or that favored group. More distressingly, because of the severe engineered shortage, corruption is rife.

But what must be done is fairly simple to state. First, all barriers to entry must be immediately removed. The private sector must not just be allowed but actually encouraged to

start educational institutions for profit. Market competition would ensure that education at all levels will be priced competitively. Innovation, sorely lacking in the sector today, will be the natural outcome. The private sector will use the most efficient tools and technologies available to deliver quality education.

Second, the supporting market for educational loans will have to be enabled. Most post-secondary education can be considered a “private good” and therefore do not require public subsidies. However, some people who are credit constrained, would need loans to pay for higher education but which they will be able to repay upon completion of the studies. The strength and the vibrancy of India's banking and financial sector, itself a product of liberalization, can be leveraged for this purpose with some ease.

Third, since primary education has some “public good” characteristics, the market may not provide the socially optimal level of primary education, especially for those who are poor. Publicly funded subsidies for the primary education of the poor must be available. Education vouchers are the most

effective mechanism for public funding of privately provided basic education. The important thing is to allow basic market competition to provide primary education most efficiently.

Fourth, an independent education regulatory authority for the country must be constituted. Its mandate would be to ensure a level playing field for all firms providing education, for settling disputes, and for providing a one-stop shop for all information on the quality of the various firms in the education business.

There are no compelling reasons for the government to be in the business of running schools and colleges, just as it has no reason to be in the bakery, automobile, steel or any other businesses. The Indian government has demonstrated its failure in the education business convincingly and with astonishing force. India cannot afford the luxury of indulging in the self-defeating policy of letting the government continue to cripple its ability shape a better future. In a world where education forms the foundation of a robust economy, India must get rid of the government stranglehold of its education sector if it is to live up to its immense potential.

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