

Course correction – The Unifier of Modern India

Remembering Sardar Patel's stupendous role in integrating the princely States into independent India.

"By common **endeavour** we can raise the country to a new greatness, while a lack of unity will expose us to fresh calamities." These **pragmatic** but profound remarks defined the vision and the **sterling** character of Sardar Vallabhbhai Patel, the principal unifier of modern India.

Force behind unification

Sardar Patel's foresight and tactful navigation of the most turbulent period in post-Independence, and the resolve he demonstrated in integrating the more than 500 disparate princely States into the Dominion of India is an unparalleled accomplishment in modern history.

Hailing Patel's feat, Lord Mountbatten, the last Viceroy of India, had said: "By far the most important achievement of the present government is the unification of the States into the Dominion of India. Had you failed in this, the results would have been disastrous... Nothing has added to the prestige of the present government more than the brilliant policy you have followed with the States."

Patel was a statesman with a strong sense of realpolitik, a realist to the core and an earthy politician whose sole aim was to build a strong and united India.

What makes the merger of the princely States truly incredible is the fact that the princely rulers had the option at that time to either accede to India or Pakistan or remain independent. Yet, Patel's **sagacity**, foresight, patriotism, tact, persuasive powers and abiding commitment to fair play enabled him to untangle a highly complex political and social problem of an **unprecedented** scale, without triggering any kind of revolt or civil unrest.

However, he was also compelled to use **coercion** by launching 'Operation Polo' to liberate and integrate Hyderabad after the Nizam of Hyderabad entertained false hopes of either joining Pakistan or remaining independent. In a swift operation lasting five days, Hyderabad State was liberated in September 1948.

Writing about Patel's decisiveness in the *Christian Science Monitor*, W. Gordon Graham observed: "Hyderabad, a State covering 80,000 square miles in the heart of peninsular India, was at that time in the grip of an unscrupulous minority which aimed at **secession** from India. Had the bid succeeded, India might not have survived as a political unit. This situation needed a man of iron who would not balk at coercive action, and in the Sardar, India had at that vital moment just the man."

Indeed at the most critical time when the country's political unity was in jeopardy, India found the man of the moment in Sardar Patel, who displayed amazing patience, tact and a steely determination in dealing with an **intransigent** ruler, who refused to see the writing on the wall and even wanted to take the issue to the United Nations. Displaying statesmanship of the highest order, Sardar Patel prevented the attempts to not only Balkanise India but internationalise the issue as well. The complicated case of Junagarh, Gujarat, was also handled with **dexterity** by Patel. I feel that the problem of Jammu and Kashmir would have been resolved long back had Sardar Patel been given a free hand to handle it at that time.

A builder of India

Patel himself termed the entire exercise as a "bloodless revolution" when he wanted the Constituent Assembly to consider privy purse settlements for the surrender by the rulers of all their ruling powers and the dissolution of the States as separate units.

Patel was an **ardent** follower of Mahatma Gandhi and never swerved in his loyalty to his mentor, although there were occasions when he differed with him. Similarly, he did not see eye-to-eye with Jawaharlal Nehru on certain issues, including the handling of Jammu and Kashmir. But he did not allow these differences or personal ego to come in the way of protecting the larger interests of the country — which were at the core of his heart. He worked shoulder-to-shoulder with Nehru in building a modern India.

Patel was a multifaceted personality. He was a dynamic political leader, an organiser par excellence, a competent administrator and a skilful negotiator.

After coming under the influence of Mahatma Gandhi, he became his loyal follower and successfully organised peasants against the imposition of taxes by the British at Kheda and Bardoli, Gujarat, and in the process he earned the title of 'Sardar' for his leadership qualities. The manner in which he **marshalled** the peasants and the **unflinching** stand taken by him eventually forced the authorities to roll back the taxes.

Architect of the steel frame

The Iron Man of India was the chief architect of India's steel frame — the civil services. Thus, the All India Services were seen as an important cementing force in promoting the unity and integrity of the nation.

It will be relevant to recall his famous address to the civil service probationers in 1947 when Patel told them that the service will have to adopt its true role of national service without being **trammelled** upon by traditions and habits of the past. He said: "Officers must be guided by a real spirit of service in their day-to-day administration, for in no other manner can they fit in the scheme of things. Your predecessors were brought up in the traditions in which they felt out of touch and kept themselves aloof from the common run of the people. It will be your bounden duty to treat the common men in India as your own or to put it correctly, to feel yourself to be one of them." It is in the fitness of things that the National Police Academy located on the outskirts of Hyderabad, Telangana, is named after him, as a tribute to the statesman.

Another aspect of the Sardar that needs to be highlighted is his graciousness and **magnanimity** in readily abiding by Mahatma Gandhi's advice to withdraw his candidacy for the post of Congress President in favour of Pandit Nehru in 1946, although a majority of State Congress committees supported his candidature. It was apparent that the Congress President would become the first Prime Minister of India. It once again proved his noble intention of placing the country's interests above self.

His love for the motherland was best described by Maulana Azad when he said: "He made his choice out of two courses that come before a man, namely would he live for his country or for himself? Sardar chose his country."

A tribute

I am glad that the 182-metre-tall 'Statue of Unity' is being unveiled today at the Narmada dam site in Gujarat, in a real tribute and recognition of Patel's stupendous role in integrating various princely States and ensuring India's unity.

As we pay our tributes to the great statesman on his birth anniversary today, on October 31, let us try to emulate his qualities and work towards realising his dream of providing 'Suraaj' in a new and prosperous India.

WORD LIST

1. Trammel (verb): Deprive of freedom of action. (A restriction or impediment to someone's freedom of action.)

Synonyms: Stymie, Impede, Hinder, Encumber, Fetter

Antonyms: Facilitate, Unfasten, Unbind, Liberate

Example: Why was it so important to these interests to **trammel** public higher education?.

2. Magnanimity (noun): The fact of being generous and kind, esp. toward a competitor or enemy: (Magnanimity is kindness and generosity towards someone, especially after defeating them or being treated badly by them.)

Synonyms: Generosity, Munificence, Benevolence, Philanthropy

Antonyms: Selfishness, Pettiness, Meanness

Example: He returned to the shop wreathed in **magnanimity** and blinding smiles.

3. Ardent (adj): Very enthusiastic or passionate. (Ardent is used to describe someone who has extremely strong feelings about something or someone.)

Synonyms: Fervent, Fervid, Zealous, Vehement

Antonyms: Apathetic, Indifferent, Stoic, Frigid

Example: Their passion is not as **ardent** , but it is somehow deeper and more mature than when they first met.

4. Coercion (noun): Coercion is the act or process of persuading someone forcefully to do something that they do not want to do.

Synonyms: Duress, Compulsion, Intimidation, Browbeating

Antonyms: Convincing, Persuasion, Approval, Consent, Permission

Example: Her defence was the very unusual one of marital **coercion**.

5. Sagacity (noun): Ability to make good judgments and decisions. (Sagacity is the quality of being sagacious.)

Synonyms: Acumen, Profundity, Erudition, Acuity

Antonyms: Stupidity, Obtuseness, Imbecility

Example: This difficulty was abolished by the kindness and **sagacity** of Mr Atkinson, who had been my adviser throughout.

6. Sterling (adj): Of the highest quality (of a person or their work, efforts, or qualities) excellent or valuable.)

Synonyms: Excellent, Exceptional, Splendid, Praiseworthy, Valuable

Antonyms: Poor, Inferior, Mediocre, Wretched

Example: Yet experts warn it may be spooked by the slump in **sterling** and weaker economic prospects..

7. Secession (noun): The act of becoming independent and no longer part of a country, area, organization, etc. (The secession of a region or group from the country or larger group to which it belongs is the action of formally becoming separate.)

Synonyms: Apostasy, Recantation, Separation, Schism

Antonyms: Unification, Joining, Confederacy, Amalgamation

Example: In 1861, southern **secession** freed Republicans from the pressure to compromise to preserve the Union.

8. Intransigent (adj): Unwilling or refusing to change one's views or to agree about something. (not willing to compromise; obstinately maintaining an attitude)

Synonyms: Adamant, Inexorable, Obdurate, Stubborn

Antonyms: Flexible, Yielding, Pliant, Relenting

Example: This intransigent attitude left me no alternative but to cancel my account.

9. Unflinching (adj): Not showing fear or hesitation in the face of danger or difficulty.

Synonyms: Undaunted, Steady, Persistent, Fearless, Courageous

Antonyms: Wavering, Irresolute, Yielding, Fearful

Example: She uses this folk tale to take an **unflinching** look at the domain of the deep instinctive self.

10. Marshal (verb): Arrange or assemble (a group of people, especially soldiers) in order.

Synonyms: Gather, Assemble, Arrange, Deploy

Antonyms: Disperse, Scatter, Disorganise

Example: "You have got to have someone in there to **marshal** the troops.

Course correction – Defining Autonomy

As the RBI's autonomy is debated, it needs to revisit its exclusive focus on inflation-targeting. Far from achieving a desirable 'monetary-fiscal coordination' in India today, the Reserve Bank of India (RBI) and the government give the impression that they are not on the same page even as far as an understanding of their roles is concerned. This may be seen in statements by them on websites, Twitter and in the old-fashioned mode of the public lecture given by the Finance Minister and a Deputy Governor of the RBI, respectively. The RBI suggests that its independence is being violated while the government rationalises its intervention in terms of its concern for the economy. How do we make sense of these positions?

Even at the time when the idea of central bank independence began to germinate some two decades ago, this was understood to mean a 'functional' independence. That is, the bank would be unconstrained by the government in its functioning, which includes both the instruments it uses and

how it uses them. However, its autonomy was not to extend to 'goal' independence. What the goals of the central bank should be were to be chosen by the government without reference to the bank. The main issue here was whether the bank should focus on inflation alone or also on the level of employment. Within a decade of this debate, it had been conceded that the focus would be exclusively on the former, and monetary policy came to be identified with 'inflation targeting'. Two points may be mentioned in this context. First, the **discourse** was solely among interlocutors from Western democracies, ensuring the issues were those related to their economies. Second, even as the major central banks of the world shifted to inflation targeting, in yet another example of American exceptionalism, the U.S. did not revise the goals of the Federal Reserve. It was to continue focus on maximising employment while keeping prices stable, a sensible recognition of a possible trade-off between these goals. In India where for close to a quarter century political parties of all hues appear to suggest 'what is good for America is the best for India', this has been missed. In 2015 the RBI was by law, in line with a "modern monetary policy", expected to target inflation. It was to remain the banking regulator though.

Once we are aware of how central bank independence was first sought to be understood and of the agreement between the RBI and the Government of India in 2015, it is not difficult to separate the grain from the husk in the public spat between the two playing out in the media. The issues of contention happen to be the corrective action to be taken for stressed banks, the prudential norms to be adopted by financial institutions, the easing of liquidity and the sharing of the surplus generated by the RBI. Here, barring the last, all others are in the RBI's bailiwick so to speak. On the other hand, on the sharing of the surplus, it is understood that the Government of India legally is the owner of the surplus generated by the country's public institutions. Even under this architecture, though, all care must be taken to ensure that the central bank's reserves are of a level commensurate with the extent of the financial sector and the potential degree of systemic risk from its malfunctioning, which can vary. So, we can't go just by formulae here.

Apart from the issue of sharing the surplus, the RBI should be left alone by the government to decide on the right course of action. This derives not so much from a notion of central bank independence as it does from the point of view of a **credible** governance policy. The Government of India would have chosen the Governor, participated in the choice of his deputies and had a say in the appointment of even the independent members of the central board of the RBI. In addition, the board has representatives of the government on it. It should now be left to this body to decide on the precise corrective action for banks with high NPAs, the desirable state of liquidity and the prudential norms to be observed by banks. The RBI is the banking regulator after all, and for the government to attempt to direct it would constitute micro-management.

Stability of the economy

Stepping away from legal niceties, there is reason to believe that some of the actions being sought to be imposed on the RBI today could **jeopardise** the stability of the economy. While acting as the lender of last resort can be stabilising, under no circumstances would it be advisable to lower **prudential** norms in the presence of stressed banks. The government's concern for the health of the medium and small enterprises is well-founded. After all, they were among the most affected sections following the demonetisation of 2016. If, in the spirit of **contriteness** as it were, the government wants to reach out to them, the right course would be to provide interest rate **subvention**, rather than to force the RBI to

tweak its lending norms. There is a severe lack of judgment in loan melas promising online sanction in less than an hour. There is the suggestion in this of the political business cycle, a government trying to nudge the economy prior to an election. The resistance of the RBI top brass to this desperate action is understandable.

Whatever may be the misfeasance of the government in its recent dealings with the RBI, however, it would yet be acceptable to review its own performance in the sphere in which it has an **untrammelled** independence, namely monetary policy. Under this arrangement it has control over the interest rate. Over 2013-2018 there has been a 5 percentage point swing in the real interest rate in India, moving from a negative to a positive level, making it among the highest in the world, much higher than that of China. This is clearly the consequence of an exclusive policy focus on inflation from even before inflation targeting was formally adopted by Parliament in India. It may well have contributed to slow industrial and export growth, due to a real appreciation of the rupee, and a rise in NPAs even after their existence had been recognised. If this is the monetary policy that central bank independence brings with it, we might just be a little **skeptical** of the value of the independence itself.

Enabling job creation

There is a certain populism inherent in privileging inflation control to justify extraordinarily high interest rates. While it would be bad economics to tolerate high inflation, the absence of inflation by itself only benefits those in employment, it does not assure jobs to the unemployed. Thus a monetary policy that ignores the impact of its actions on unemployment is not **credible**. Interestingly, the government and the RBI have always **been on the same page** as far as inflation targeting is concerned. The populist message that inflation erodes the income of the poor conceals the possibility that in the implementation such a policy could hold back job creation by restricting investment. The rising current account deficit, the slow growth of employment and the disappointing performance of manufacturing, the sector most closely affected by high interest rates, should prompt us to review how monetary policy is conducted in India. In the past, the RBI had a 'multiple indicators approach' which paid attention to inflation, growth and the current account. This may not have borne the precision conveyed by 'inflation targeting' but it did answer to Keynes's **dictum**, "It is better to be vaguely right than to be precisely wrong." Pulapre Balakrishnan teaches economics at Ashoka University, Sonapat, Haryana

WORD LIST

1. Sceptical (adj): Inclined to doubt or question claims. (If you are sceptical about something, you have doubts about it.)

Synonyms: Paranoid, Distrustful, Doubting, Incredulous, Suspicious

Antonyms: Credulous, Gullible, Trustful,

Example: The Prime Minister is sceptical and questions the timing of the new allegations.

2. Be on the same page (idiom): Of two or more people, thinking in the same manner; having the same general outlook or position.

Synonyms: Assenting, Accordant, Harmonious, Consenting

Antonyms: Discordant, Divergent, Dissident, Unalike

Example: We all need to **be on the same page** before we try to present this complex idea to the boss.

3. Untrammelled (adj): Not restricted or hampered or Someone who is untrammelled is able to act freely in the way they want to, rather than being restricted by something.

Synonyms: Unobstructed, Unfettered, Free

Antonyms: Checked, Impeded, Hindered

Example: I was an atheist, **untrammelled** by all the old superstitions.

4. Dictum (noun): A short statement that expresses a general truth or principle. (A dictum is a saying that describes an aspect of life in an interesting or wise way.)

Synonyms: Maxim, Axiom, Adage, Aphorism

Example: This review is only testament to that old over-used **dictum** : A picture is worth a thousand words.

5. Discourse (noun): Written or spoken communication or debate. (Discourse is spoken or written communication between people, especially serious discussion of a particular subject.)

Synonyms: Converse, Discussion, Lecture, Sermon, Speech

Example: Gender **discourse** is interwoven through national security discourse.

6. Jeopardise (verb): Put (someone or something) into danger of loss, harm, or failure; (To jeopardize a situation or activity means to do something that may destroy it or cause it to fail.)

Synonyms: Threaten, Endanger, Imperil, Menace

Antonyms: Save, Protect, Preserve

Example: They also tell him that he can never leave, since that risks **jeopardizing** the setup for them all.

7. Prudential (adj) : Involving or showing care and forethought, especially in business. (exercising prudence or sound judgment)

Synonyms: Chary, Prudent, Provident, Circumspect

Antonyms: Unwise, Careless., Injudicious

Example: According to **prudential** legislation, bank exposure to any single entity cannot exceed 25 per cent of its capital.

8. Subvention (noun): A grant of money, especially from a government. (a grant, aid, or subsidy, as from a government to an educational institution)

Synonyms: Subsidy, Grant, Appropriation, Aid

Example : They are only human, after all: if there are grants and **subventions** going, they will join the queue.

9. Contriteness (noun): Feeling regret and sorrow for one's sins or offenses. (If you are contrite, you are very sorry because you have done something wrong.)

Synonyms: Penitent, Attrition, Remorseful, Repentance

Antonyms: Satisfaction, Happiness, Felicity, Elation

Example: Then, falsely contrite , " I didn't mean to suggest you've ever hit a woman.

10. Credible (adj): Able to be believed. (Credible means able to be trusted or believed.)

Synonyms: Plausible, Acceptable, Trustworthy, Reliable

Antonyms: Implausible, Improbable, Incredible, Unbelievable

Example: When you put it like that his venture seems barely **credible**.

Mesmerize (Verb) :

Meaning:- If you are mesmerized by something, you are so interested in it or so attracted to it that you cannot think about anything else.

Synonyms: Enthral, Hold Spellbound, Entrance, Dazzle, Bedazzle, Bewitch, Charm, Captivate.

Antonym: Disgust, Disenchant, Repel, Enliven.

Example: I was so mesmerized by the book that I finished it on day first itself.

Word of the Week - "Invidious"

Invidious (adjective)

Meaning:- If you describe a task or job as invidious, you mean that it is unpleasant because it is likely to make you unpopular.

Synonyms: Unpleasant, awkward, difficult, undesirable, unenviable, odious, hateful, detestable.

Antonym: Delightful, pleasant, likeable.

Example: So many officials have made so many mistakes over so many years that it would be **invidious** to select a single example of incompetence.

☞ "Don't aim for success if you want it; just do what you love and believe in, and it will come naturally." **David Frost**☞