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Talk to the face

Prayuth Chan-ocha, former Thai army chief and leader of the junta in office in Bangkok, has a humourless history with the media. Two years ago, after threatening to close down news outlets which wandered away from the official line, he had promised to "execute" journalists who do not "report the truth". He has also patted the head of a journalist paternalistically and thrown banana peels at the press, which nevertheless did not oblige him by slipping up. Now, in an attempt at dark humour, he has ducked a press conference by referring difficult questions to 17 cutouts of himself, tastefully scattered about the venue.

Prayuth had seized power from the Shinawatra clan in a bloodless coup. The use of force was unnecessary because the people welcomed a change of guard which promised to end endemic corruption. But he has reneged on his promise to return the reins of power to a democratic government. Elections have been indefinitely deferred, martial law is a harsh taskmaster, and Prayuth has threatened worse — the lonelier he gets, he promised, the harsher he will get. It's a tacit admission that it's getting lonelier at the top.

In order to keep solitude at bay, he has gone forth and multiplied, in cardboard. Why has he reduced himself to two dimensions, when holograms are so easily conjured up? Seventeen holograms would have been so much more compelling, and would have speeded up the business of government. A few could have spent their time patting journalists, to keep the tradition alive, while the rest looked after the home portfolio, external affairs, and so on. And if there was a subversive in their midst, it could have called snap elections. But of course, Prayuth would have executed it. It's easy with holograms. You cut the juice, and the UN just doesn't care.

Going backwards

The suicide of a 20-year-old woman, Dhanyashree, in Chikmagalur due to alleged harassment by Hindutva activists raises disturbing questions about the political climate ahead of crucial assembly elections in Karnataka. According to a police complaint filed by Dhanyashree's mother, a group of men claiming to be members of the Bajrang Dal, had threatened that "embarrassing pictures" of the girl would be posted on social media in retaliation for her saying that she liked Muslims in a WhatsApp group. In her suicide note, the girl said the harassment, including false claims made by activists that she was involved with a Muslim boy, had caused humiliation to her family. Police have arrested a leader of the Bharatiya Janata Yuva Morcha, the youth wing of the BJP, in the case.

Dhanyashree's suicide comes in the wake of a concerted attempt by Hindutva groups to polarise society in Karnataka ahead of polls. Communal incidents are on the rise in Uttara and Dakshina Kannada, districts with large non-Hindu populations. BJP leaders like Union Minister of State for Skill Development and Entrepreneurship, Anant Kumar Hegde, and MP, Shobha Karandlaje, have been found stoking the communal fires with loose talk. BJP's chief minister nominee, B.S. Yeddyurappa, has tried to calm the fears, claiming that "by Hindutva we (the BJP) don't mean just Hindus, we mean Muslims, Christians, Hindus, everybody". But Yeddyurappa's ongoing Nava Karnataka Nirmana Parivartana Yatra has hardly projected an inclusive vision for the BJP. Addressing the Yatra in Chitradurga on Wednesday, party chief Amit Shah accused the Siddaramaiah government of being anti-Hindu. Before Shah, UP Chief Minister Adityanath spoke at meetings in Karnataka where he highlighted the BJP's Hindu credentials and the party's success in giving a Hindu gloss to the polity, besides championing the cow. The BJP's high-pitched campaign on its Hindu credentials appears to have forced the Congress on the defensive.

It is a low in politics when two major parties try to win a major state election by projecting their "Hindu-ness". Such a debate is especially disturbing in Karnataka, which has long been the site of contests of progressive social visions and public policies. New social and economic faultlines have now appeared and the state's modernity project may have to be re-imagined to address the problems of urbanisation and rural distress. Instead, the BJP and the Congress have embarked on a polarising debate around imagined insecurities.

A lie can travel half way around the world while the truth is putting on its shoes.

--Charles Spurgeon

Indian cities need integrated development agenda

By Amit Kapoor

One of the fastest-growing economies in the world, India has grown at a rate of above seven per cent over the last decade. Much of this growth can be explained by the growth of its cities. Cities have emerged as economic powerhouses that have defined job growth within the country.

While prosperity has increased in cities, so have the challenges they face. The challenges are of inequality, unplanned urbanisation, mass migration, poverty, unemployment and the like. Some cities have even witnessed a fall in their quality of life.

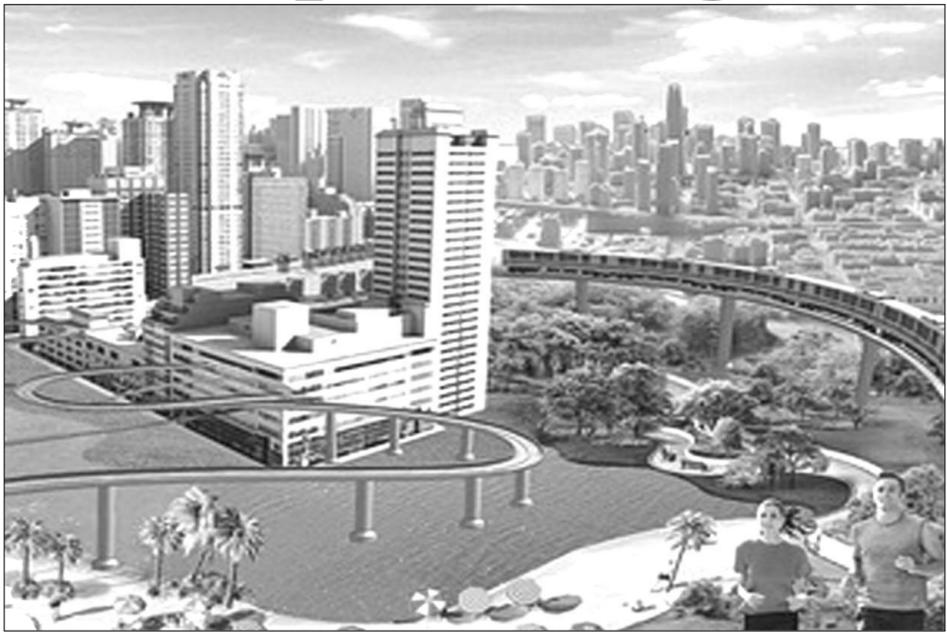
The challenges that our cities face can be managed if looked at from the lens of competitiveness.

Competitiveness depends on the long-term productivity of a region. A competitive city is a city that successfully facilitates its firms and industries to create jobs, raise productivity, and increase incomes of its citizens over time.

The City Competitiveness Report 2017 represents the competitive performance of 50 Indian cities on different parameters. It uses the framework of Michael Porter's Diamond Model which defines competitiveness as the sum total of factor conditions, demand conditions, context for firm strategy and rivalry, and related and supporting industries.

Bengaluru has emerged as the most competitive city in India. Mumbai and Pune closely follow. Patna, on the other hand, has emerged as the least competitive city.

The analysis brings out some interesting insights. First, the population of a



city has a direct bearing on its level of competitiveness, i.e., big Indian cities are also the most competitive. This suggests that either the population acts as an active resource (as a factor of production) and positively impacts the competitiveness of a city or that competitive cities tend to be more attractive to the general population.

The literacy rates in these cities are substantially higher than India's national average. This, coupled with their high population densities, creates the best demand conditions in the country, thus adding to their competitiveness levels.

The presence of quality educational institutions in the big cities helps them attract the best talent from all over the country. This, coupled with job opportunities they offer, help them retain such talent. The presence of such diverse talent helps in sustaining the growth, productivity and econo-

my of these cities. Sound financial infrastructure and relatively higher financial literacy levels further add to their competitiveness.

But a large population is not always a boon. It creates challenges pertaining to the movement of people and goods and in the provision of basic services. Governments respond to such problems by improving service delivery and spending on infrastructure. It is not a coincidence that all these cities have operational Metro rail networks and some of the best hospitals and airports in the country. These factors significantly impact the competitiveness of cities.

Secondly, prevailing environmental conditions impact the competitiveness of a city by affecting its labour productivity. While other big cities like Mumbai, Kolkata, Chennai and Hyderabad have managed to retain their competitiveness levels, Delhi has of late wit-

nessed a drop in competitiveness mainly because of its worsening environmental landscape.

A similar loss was also witnessed by the neighboring cities of Noida and Gurugram.

Thirdly, the level of industrialisation in a state impacts the competitiveness of its cities. In India, most of the highly competitive cities belong to a small group of industrialised states (including Maharashtra, Tamil Nadu, Gujarat and Karnataka) while the least competitive cities belong to less industrialised states like Jharkhand, Bihar, Chhattisgarh and Jammu and Kashmir, among others. In other words, industrialisation as a policy tool is required to make cities from less industrialised states more competitive.

In the short run, some cities may witness substantial improvements in their competitiveness levels. This may be because

of improvement in their factor conditions and demand conditions. But in order to sustain or further improve their competitiveness levels, they must act on the other two pillars of Porter's Diamond model, i.e., context for strategy and rivalry, and related and supporting industries. It is worth noting that these two pillars are directly related to the level of industrialisation, which cannot be increased overnight.

So, the policymakers in the less industrialised states should look at industrialisation as a long-term solution to make their cities more competitive. Cities in the states of Gujarat, Karnataka, Maharashtra, and Delhi perform well on these pillars. At the city level, old industrial and trade hubs such as Surat, Mumbai, Ahmedabad and Delhi perform well on these pillars.

Lastly, the level of

cleanliness and sanitation and competitiveness are positively correlated. Cities in Madhya Pradesh, which have shown exceptional cleanliness performance of late, have seen a rise in their competitiveness levels. Indore was in the news recently for deciding to name and shame people for spitting on roads. Tier 2 and Tier 3 cities like Chandigarh, Vadodra, Coimbatore, Surat, Mysore and Rajkot have witnessed a similar fate. Big cities like Delhi, Bengaluru, and Chennai have not performed well on this front. Massive population, urban sprawl and limited public infrastructure are the possible reasons.

Our cities have focused only on a few parameters of development and have ignored the others. For instance, despite being the most competitive cities in the country, the performance of big cities on certain parameters (such as environment, cleanliness and administration) is not up to the mark.

This probably signifies a lack of clear vision, as also an integrated development agenda. Planning and development should take place with a clear set of priorities. One of the ways to tackle the problem at hand would be to strengthen municipalities by giving them more political and financial powers. China, which has some of the world's most competitive cities, owes its success to such devolution of power. Participation of the local population in the planning and development process is another important aspect which is ignored in India. How India strengthens its cities will determine the strength of India's growth story in the future.

(Courtesy: IANS)

Is Apple really doing badly in India?

By Faisal Kawoosa

Given the current market conditions in India for smartphones, it appears that Steve Jobs, the late Apple co-founder, was prophetic: He did not consider this country a significant opportunity.

Let's take a look at the Apple story since its entry into India in 2008. A lot has changed in the market -- changes that have been favourable for consumers and the industry but, perhaps, not so much for Apple.

In the decade since its arrival, almost all the segments -- barring the \$100 to \$200 segment -- have seen a decline in the competitive and price-sensitive Indian market. But what should concern the Cupertino-based iPhone-maker is the steep fall in the \$400-and-above market.

In 2008 and 2009, this segment used to account for 30 per cent of the total smartphone shipments. From 2010 onwards, around the time domestic brands made their entry in the ring, helping to expand the sub-\$100 category, the premium segment fell to half at 15 per cent.

Barring a spike in 2011, the \$400-and-above market has been



on the decline in terms of shipment contribution.

In the period, whatever growth took place in the smartphone market, happened at the lower end of the price strata.

Since 2013, the \$400-plus market has been in single digits, and this is obviously not a good sign for a premium brand like Apple in India -- even if the iPhone SE is taken into account, which is more of a mid-premium smartphone and is now being assembled in Bengaluru.

The big question now is: Has Apple's poor performance in India been on account of some loose ends in its strategy? Or is it merely because of the segment/s in which the Cupertino-based iPhone-maker operates?

Let us examine the market share of Apple in the segments it operates in.

Over its decade-long presence in the country, Apple has been operating in three price segments. Among these, \$400-plus has been the staple where the tech

giant has performed superbly.

From just over five per cent share of the segment in 2008, when Apple said 'Namaste' to India, it currently enjoys over 47 per cent share in the \$400-and-above smartphone segment by units.

In terms of revenues, Apple has also seen consistent growth despite pressures like shrinking opportunities in the premium segment as well as falling average selling prices -- not the forget the "forced" downward movement to

cater to the mid-premium segment.

In 2017, till September end, there has been a 21 per cent revenue decline compared to the calendar year 2016.

But then, Apple has witnessed good annual growth rates since 2010 -- its average annual revenue growth rate has been 116 per cent in its first decade of presence in India.

Both from the revenue as well as volume aspects, Apple has seen a consoling India story so far. The real issue is the

growth in the premium segment with several players, including from China, now offering devices. This segment is going to see some difficult times ahead owing to the fact that, after Jio surfaced on the landscape, the opportunity now shifts towards the entry-level players to let a user have his or her first smartphone experience.

In the era of "Desh Ka Smartphone" and "Mera Pehla Smartphone", it would be challenging for any premium smartphone brand, including Apple, to grow like in the past.

The overall declining growth in all price segments of smartphone over the last decade or so, Apple's consistent growth in revenues as well as its increasing growth in market share in the segment(s) it is present, has an interesting story to tell.

For Apple, revenues as well as its market standing is on the rise so far, as it faces the peculiar nature of the domestic market.

Was Jobs able to foresee this peculiarity of the Indian smartphone market or was his interpretation something different?

Whatever his interpretation, the impact for Apple is more or less the same. (Courtesy: IANS)