SAVE RBI

VOICE

SAVE THE NATION

BULLETIN OF
RESERVE BANK EMPLOYEES ASSOCIATION, KOLKATA
SEPTEMBER 2015

TO SAVE RBI

TO IMPROVE PENSION
TO OPEN OPTION

UNITED FORUM OF RESERVE BANK OFFICERS & EMPLOYEES DECIDE

MASS CASUAL LEAVE ON 19^{TH} NOVEMBER 2015

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HIGHLIGHTS

• Assault on RBI begins • Hail Nationwide Strike • remembered Com. Ashis Sen and T. K. Ghosh • Liberalisation – How safe? • Treason against reason • Housing Loan Rules • RBI under Squeeze • Greece on Sale • Illusion and Reality • Obituaries • News and views

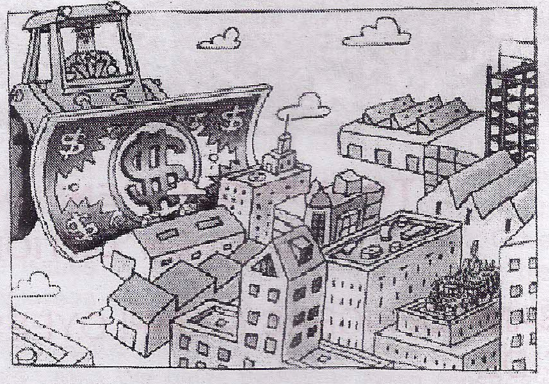
"Society has put its trust in Central Banks. Central Banks have to ensure that bank managements and financial sector in general serve the masses and not merely the elite or financially active. In the ultimate analysis, Central banks are trustees, agents to look after the interest of masses."

- Dr. Y. V. Reddy, former Governor, RBI

The Assault begins.......

In last issue of Voice (May 2015) we editorially commented "RBI under Siege". It has been under siege by the Government of the country, unfortunately.

The assault has begun. The first salvo has been fired by the Government in the revised draft Indian Financial Code which was unveiled on 23rd July 2015 in the public domain and



which seeks to remove, inter alia, the veto power of the RBI Governor in deciding the interest rates in the economy. The Code suggests formation of the Monetary Policy Committee (MPC) to determine the interest rates in a way where Government representatives will be in majority, RBI representation will be minority and the Governor of RBI loses his veto power. In short what was an exclusive RBI jurisdiction so long, will be hijacked by the Government in the name of legislative reform.

This has naturally evoked a very sharp reaction all around. Media have, one and all, rejected it as atrocious and absolutely unacceptable. The Times of India have editorially headlined this as **"Backseat Driving"** by the Government, while the Financial Express ridicules, **"Rubber-stamp Rajan"**, adding **"why have an RBI Governor if he can't even fix rates"**. The Hindu exhorts **"Give the RBI its independence"**, Business Line castigates the Government that **"The centre should remember that the very idea of a central bank is predicated on functional independence"**, The Indian Express says picturesquely **"Tying RBI's hands"**, while Economic Times comments succinctly but poignantly **"Let RBI Be"**. The doyen of Indian central banking, one of the best global central bankers, Dr. C. Rangarajan cautions laconically. **"Can't clip Governor's powers; power to decide on interest rate should remain with the Governor"**.

This universal support for RBI determining interest rate(s) for the economy emanates from the trust and confidence that RBI enjoys in conducting country's monetary policy seamlessly, taking appropriate decisions in various twists and turns of the national and international economy. For this RBI and successive Governors had many a times faced the Government's wrath and ire of various powerful interested quarters. But RBI stood firm in overall interest of the economy, which earned it encomium from the nation at large. RBI built up its image as an autonomous independent entity wedded to country's long-term interest.

Besides, Monetary Policy is a very important factor and instrument for country's economic stability and inflation management. Inflation affects the poorer segments most; they suffer much more than well-to-do, affluent section when prices of essential commodities soar up. Hence RBI have always been sensitive to this issue - its focus has always been to give relief to common and vulnerable sections of society. Many did not like such stance of RBI, criticized RBI openly. Sometimes Government spokesmen including important Ministers aired their adversarial views in public to pressurize RBI to adopt easy money policy in the interest of corporates. But RBI pursued its policy nevertheless.

So, the Government decides to snatch this power from RBI by making RBI's intervention ineffectual. However, in the face of torrents of criticism, it seems they are trying to beat a retreat temporarily. But only temporarily ! Their long-term objective remains that it is the Finance Ministry which should effectively determine the Monetary Policy, not the RBI. Government will go on pursuing without any pause.

RBI Governor, Dr. Raghuram Rajan is reported to have said that he is not in favour of "Veto Power" for the Governor, and he would like the "Committee Approach" instead of one individual, the RBI Governor, exclusively deciding on such an important matter.

It is not the question of "Veto Power" or "Committee Approach" or some such nuanced terminologies - the most vital point is the supremacy of the central bank of the country, RBI, in deciding on monetary policy. Also, RBI Governor never decides alone. He listens to many experts. There is a technical advisory committee to advise him on details. But he is the ultimate determinant, as RBI is mandated for inflation-targetting and maintaining financial stability. RBI can be accountable if only RBI has the powers - plain and simple.

What the Government intends through all these hiccups is, what has been termed as "regulatory capture"; All regulatory bodies will regulate only in name. It is the Government's will, or rather the bureaucracy's, which will rule the roost. RBI is an impediment to this - so silence it, if not, atrophy it !

Media reports former Finance Secretary, Rajiv Mehrishi, has said that Government would pilot bill in the ensuing winter session of the Parliament on Monetary Policy Committee and Public Debt Management Agency (PDMA). Reportedly the Government have reached an "understanding" with RBI on these. Why is the Government in a hurry? In what way the proposed changes will be better than the existing arrangement of RBI managing Government's public debt and simultaneously determining monetary policy?

The nation deserves a clear explanation, not some numbo-jumbo of some so-called experts. Let all political parties, all democratic organizations, and all trade unions - all who are concerned about country's posterity - including the country's supreme legislative body - the Parliament - demand this unequivocally from the Government.

Dr. Manmohan Singh Speaks out :

RBI's autonomy should be kept intact

Long awaited as it was, no less a person than Dr. Manmohan Singh, has at last spoken out very loud and clear:"Its (RBI's) autonomy should be kept intact." His observation owns great significance since he is practically the most competent person to throw light on this question. He traversed through the whole financial and attendant administrative spectrum, graced all the illustrious chairs that matter, like that of the Governor of Reserve Bank (1982-1985), Finance Minister (1991-1996) and Prime Minister of the country for two consecutive terms (2004-2014).

"I've served in RBI. So, I know the importance of RBI. Its autonomy should be kept intact," he told the reporters on the sidelines of an award function on May 9, 2015 in New Delhi.

"I've been Finance Minister also. Since I have served as both RBI Governor and as Finance Minister, I would like to see the two institutions work in harmony," he added.

Dr. Singh's remarks come at a most appropriate time when the government of the country is bent upon dismembering and emaciating Reserve Bank of India by taking over its core functions of deciding policy rates, control of external capital inflow, management of public debt etc.

(Source : PTI, May 9, 2015)

Our Unity Our Strength. So, unite and carry ahead.

RBI UNDER SQUEEZE

The Financial Express dated 24th September 2015 reports under the headline, **"Centre wants to tap central bank surplus to cover outgo"**, that the Finance Ministry is putting pressure on RBI **"to transfer a record Rs.1 lakh crore from its surplus to the central exchequer"**. This amount is needed, according to informed sources, to meet the central expenditure on the award of the Seventh Pay Commission for the Central Government employees and one rank one pension policy for the armed forces, both of which would inflate Government's salary and pension bills by around Rs.70,000 crores. Eventhough RBI have already transferred an all-time high amount of Rs.65,896 crore, almost the entire surplus generated in 2014-15 to the exchequer, followed by Rs.52,679 crore last year, the pressure from the Government goes on mounting.

The RBI has over the years accumulated its internal resources-which stand at Rs. 2.43 lakh crores at the end of June 2015–which have prompted the Government to have a greedy eye to the kitty to satisfy its immediate needs.

RBI is reluctant to oblige. Naturally. As the lender of the last resort for Banks, which are grappling with huge outstanding loans, RBI needs adequate quantity of funds to face any adverse eventuality. Appreciation of rupee may put pressure on RBI reserves at any moment; so also any strained fiscal situation. RBI strongly feels and, very correctly, that shorn of its reserves, RBI will have to depend on the Government for capital in emergency, which would definitely undermine its authority.

Should Central Government dump its liabilities on RBI? Should RBI be denuded of its holdings and assets to satisfy an avaricious government? **Should not everyone in his right senses oppose this loot of the central bank of the country?**

Government doing away with mandatory RBI approval for FDI -RBI losing control of forex management

NEW DELHI : In a bid to attract more foreign investment, the government is looking at doing away with the mandatory approval of the Reserve Bank of India (RBI) which currently is needed after an investment proposal has been approved by the FIPB.

Till now, the government and RBI shared oversight over direct and indirect foreign investments.

Sources said the Section 6 of the Foreign Exchange Management Act (FEMA) has been amended in the Finance Bill 2015 approved by Parliament earlier this month to delete the requirement of RBI consent for cross-border transactions and acquisition or transfer of immovable property to foreigners.

The regulation under FEMA that required foreign direct investment (FDI) proposals to be examined by RBI, is being done away with, they said.

(source PTI May 19, 2015,)

SISTER UNITS MAY SEND THEIR REPORTS FOR VOICE WHICH WILL CARRY THEM FAR AND WIDE.

Greece on sale

Greece, the cradle of western civilization, nay the entire human civilization, the land which gave birth to the extraordinary geniuses in diverse fields like Homer, Socrates, Plato and Aristotle, of whom the mankind as a whole will ever remain proud and grateful , the nation which gave democracy, philosophy, art and literature,

histriography, political science, major scientific and mathematical theories and last but not least the Olympic games to Europe and to the whole world is for sale today. The wealthy German and French bankers, the Shylocks of today, want their pound of flesh from Greece. They do not bother about Grecian heritage and culture which had abundantly endowed the world with lofty ideals, thoughts, theories, knowledge, art and skill. They do not care about the "European Dream" of transforming the historic nations of Western Europe into a single brotherly federation, on the model of United States. They only understand money, which only begets money and no human values.

While the silent sentinels of centuries, the remains of the great Greek edifices, the Parthenon, the temple of Hera, Propylea, the Amphitheatre of Delphi witness the Greekchildren going to bed hungry , the old and haggard rummaging through garbage bins for a morsel of eatables, the youth begging for livelihood - the German and French bankers, the European Central Bank and a handful of tycoons of Europe are busy establishing The Hellenic Republic Asset Development Fund which will organize the sale of all that the Greek State has: seaports, railroads, utilities, international airports and site of the Olympics. This is the decision of the most "Civilized" European Union.

Is this not a punishment for Greece which was caught unaware in the vortex of great financial crisis of 2008? The crisis made a big hole in its economy and consequently a severe debt trap wrapped the nation.The European Union officials arrogantly lay blame on Greece and even dare to say that the Greek people are lazybones, indolent, inefficient, that for years they have lived beyond their means. Now they are got to tighten their belt and accept the austerity measures, ration their consumption, absorb less goods etc. etc.

It is also claimed that the Greek economic crisis was caused by a crisis of excessive borrowing and sovereign debt. This is absolutely trash. It is true that Greece and some other countries were engaged in excessive borrowing before the crisis hit. But Spain, for example, was actually running a budget surplus until its economy collapsed. It was the severity of the recession that created the debt problem and not the other way around. In other words, structural flaws in the financial Architecture - not irresponsible conduct by individual governments - are the root source of the trouble.

The single currency system was inherently flawed. ECB controls monetary policies of 19 nations, which vary in living standard, industrial or agricultural potential, productivity, labour cost and overall health of the economy. ECB sets interest rate, inflation target for these states which cannot be equally appropriate for all the constituents.

The Harvard economist Martin Feldstein, Chairman of President Ronald Reagan's Council of Economic Advisors and President of the National Bureau for Economic Research writes: "When demand in Germany and France was quite weak early in the last decade, the European Central Bank reduced interest rates sharply.

That helped Germany and France, but it also inflated real-estate bubbles in Spain and Ireland. The recent collapse of those bubbles caused sharp downturns in economic activity and substantial increases in unemployment in both countries. **The introduction of the euro, with its implication of a low common rate of inflation, caused sharp declines in interest rates in Greece and several other countries that had previously had high rates. Those countries succumbed to the resulting temptation to increase government borrowing, driving the ratio of government debt to GDP to more than 100 percent in Greece and Italy."(- The Euro's Fundamental Flaws)**

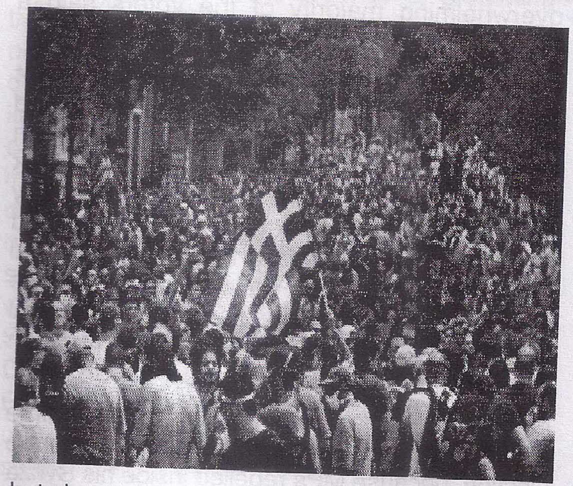
The full details of Europe's economic problems are complicated, but the original source of the trouble is actually quite simple. **The main tool modern countries use to recover from recession is monetary policy, but the nature of the Eurozone is that when countries fell into recession they didn't have central banks of their own that could help promote recovery. Outsourcing monetary policy to the European Central Bank in Frankfurt left Ireland, Portugal, Greece, and Spain defenseless against the 2008 recession.**

The crisis of 2008 all of a sudden threw Greece in at the deep end.. The Greek government was forced to take billions of euros in bailout in 2010 from the European Union and International Monetary Fund. The lenders required Greece to implement crushing spending cuts and tax increases, leaving government no scope for steering any economic growth which resulted in skyrocketing unemployment and plummeting living standards. Second bailout was signed in 2012 that imposed more austerity measures cutting back all social security amenities etc. The money went to the bankers as repayment of loans. **Thus corporate debt was converted into sovereign debt**. GDP went down by 30%. Unemployment reached 50%. Population living below poverty line rose to 44%. **The money given in bailout actually bailed out the Banks not Greece**. Hence, the country needs further assistance for its survival.

In the given situation Greece has to make a choice: either make do with the bailouts and suffer the pain of austerity, or reject the terms of the bailout - likely leading to default and, possibly, leaving the Eurozone entirely.

Greeks elected a new government, Syriza, a left democratic coalition, in January 2015, mandated for rejecting the European bailout plan, which instead, tried for further renegotiating the terms of the bailout to dilute the severity of austerity measures. Unfortunately Greek leaders had no leverage, on the other, the European Union held its lifeline - European Central Bank controls the liquidity to Greek banks - so they brutally rejected the Greekplea.

The Turkish economist TSabriOncu in his short



but sharp note, titled, **"Banks, Not tanks"** (EPW, July 18, 2015) explained the situation straightforwardly: **"Since under the euro Greece lacks a central bank that can provide liquidity to its banks independently of the ECB, the Greek banks are in the hands of the Troika [The Triumvirate of the institutions, The European Commission (EC), the European Central Bank (ECB) and International Monetary Fund (IMF)]. If the ECB pulls the plug and freezes the liquidity lines to the Greek banks, not only the Greek banking system, but also the Syriza government collapses.**

"Indeed, any government in any country collapses when the country's banking system collapses. This is what I called the attempted coup in Greece in the title of this article."

SabriOncu quotes Yanis Varoufakis, the Finance Minister in Syriza government who was forced to resign under pressure from the Euro leadership since he had compared the creditors of Greece to terrorists. Varoufakis recalls the coup of 1967 that installed a military dictatorship in Greece and said: **"In the coup d'etat the choice of weapon used in order to bring down democracy then was tanks. Well, this time it was the banks. The banks were used by foreign powers to take over the government. The difference is that this time they're taking over all public property."**

Thus Greek government was left with no option. They punted the decision to voters: accept their terms or reject them and disown Euro. On a National Referendum held on July 5, 2015 overwhelming majority of the voters said a resounding 'NO' to the bailout conditions.

Unfortunately, the Syrizian government did not dare to carry out the people's mandate, and surrendered under tremendous pressure from the European Union backed by dominant bank lobby. The European Union took full opportunity of Syrizian government's indecision and vacillations and forced on them a more lethal and humiliating third bailout plan that axe pension, wages, tax benefits to farmers, social security benefits and launch a huge privatization drive.

In face of immense public wrath the Prime Minister Alexis Tsipras has called a snap election, because MPs rebelled inside his Syriza party. Twenty-five members broke away to form a new left-wing party, Popular Unity, opposed to the bailout.

The snap election has given a fragile verdict in favour of Alexis Tsipras' bail out efforts. Perhaps voters were worried about the immediate impact of rejecting bail-out schemes. Perhaps they reckoned that with their "No", European Central Bank will stop giving credits to Greek banks, which will stop payments of pension, salaries, medical help to Greek citizens. They perhaps decided in their prudence to avoid immediate catastrophe.

However, we can safely take one or two very important lessons from the Greek Crisis: (i) economic sovereignty should in no way be compromised and (ii) central bank's independence must be protected. The independence of central bank has wider connotation: its existence should not be merely for namesake, it must have full power to exercise monetary control, the national currency should be free of any sort of encumbrance, i.e., the country should have an independent exchange rate regime. A currency has same sanctity as national flag and territory. It must be protected. We should always remember the brilliant quotation by S.S. Tarapore, former Deputy Governor of RBI: "a country which destroys its central bank, destroys itself"

We hope the Greek people will wade through the maze of internal squabble and ultimately win the battle, reject the bailout proposals, protect its national sovereignty, quit Eurozone, and revive its central bank, its own currency Drachma and restore the economy.

Prof. Prabhat Patnaik cautions........

In a seminar organized on 31st July 2015 at Hyderabad by the People of India Forum - a platform of various middle class organizations and trade unions-on "Greece Crisis - Relevance to India" – of which RBIEA, Hyderabad is a constituent and an enthusiastic participant, the leading left-economist of the country, Prof. Prabhat Patnaik observes - The Finance Capital appropriates democracy through intimidation. In the view of Finance Capital the democratic assertion of people's will would become an act of treason. We are also vulnerable. We have huge balance of payments current account deficit and if the interest rates in USA are increased the US dollars we hold would flow back dumping our economy in crisis. The present Government would impose austerity of even a severe order, he cautioned. Delinking the economy from Finance Capital and neoliberal regime is essential. Concluding his speech, Prof. Prabhat Patnaik called upon the working class, democratic forces and progressive people to carry out relentless struggles against Finance Capital.

How liberal is Liberalization and how safe?

Only recently the media was agog at the government and RBI announcing their willingness to introduce capital account convertibility in next two to three years.

For last few years the government and RBI have taken various steps toward more and more liberalization of capital account. The pace of RBI's cautious moves does not match with the new government's fanatic fervour for quickly hitting the ultimate destination of full capital account convertibility. Hence the central government amended the Foreign Exchange Management Act during Budget 2015 through passage of a Finance Bill so that the Rajya Sabha where they lack majority does not stand in the way. However, most unfortunately the amendment was very significant in that it took away substantial power of RBI over capital account transactions, including Portfolio investment (PFI). The Finance Ministry had also attempted to transfer Public Debt Management from RBI to another agency namely, Public Debt Management Agency. Several amendments in various acts including RBI Act and Government Securities Act were also proposed in the Finance Bill, which were withdrawn at the eleventh hour in face of protests from members of Parliament coming from various parties in response to the appeal made to them by the United Forum of Reserve Bank officers and employees. The proposed changes relating to the management of both foreign exchange and public debt were aimed at taking them out of RBI control. This could lead to more and more foreign investment in G- sec or even in debt market via indirect route. As Dr. Y. V. Reddy, the former governor of RBI, presently the chairman of 14th Finance Commission sharply reacted: **"The important lesson is that if government securities are designated in foreign currency and / or held by non-residents, it is a source of instability, particularly for emerging economies. So risk is enhanced by combining the two because it is very tempting to substitute the two."** No doubt, the government's intention is clear - allow foreign investment indiscriminately without much screening and control. The government would manage them at their sweet will and convenience, if, at all, they can really manage them!

Capital account convertibility (CAC) implies transactions of local financial assets into foreign financial assets freely and at country determined exchange rates. Full capital account convertibility allows local currency to be exchanged for foreign currency without any restriction on the amount.

CAC was first formulated by Reserve Bank of India in 1997 by Tarapore Committee in an effort to find fiscal and economic policies that would enable emerging economies' transition to globalized market economy. The IMF was quite influential in persuading emerging markets to adopt the policy, Article VIII of IMF's Article of Agreement providing its foundation. However, free flow of assets was meant to work in both the directions. If it brought foreign investment into domestic economies, it equally allowed quick liquidation and removal of capital assets from the country. It exposed domestic creditors to external credit risks, variation in fiscal policy and manipulation.

Several developing countries like Argentina, Kenya, Mexico and the South East Asia (Indonesia, South Korea, Malaysia and Thailand) liberalized their capital accounts over a short period under the tutelage of IMF and World Bank. The early 1990s experienced a boom in capital flows internationally followed by the reversal of such flows especially in the second half of the 1990s. The first reversal occurred in the aftermath of Mexico's currency crisis in December 1994. It was, however, limited to some Latin American economies and capital flows resumed soon after. The second reversal, which was more severe and enduring, came in 1997 and resulted in the East Asian crisis. This was followed by the Russian default in August 1998 and the Brazilian crisis in 1998-99, followed more recently by the collapse of the Argentine currency in 2001 and the spate of corporate failures and accounting irregularities in the USA in 2002. Needless to say, all the developing countries faced major crisis due to such vagaries of finance capital, whereas the only gainers were the handful of financiers who control the flows of such capital. Studies by eminent scholars and economist point to the correlation between capital account liberalization and financial crisis: **"We found a positive correlation for developing countries: the more a country finances its investment through its own domestic savings, the faster it grows. Conversely, the more foreign financing it uses, the more slowly it grows."** ***(Fault Lines -Dr. Raghuram Rajan)***

The former Chairman of Fed Reserve Mr. Ben. S. Bernanke commented: **"We have seen a number of episodes in which international capital flows have brought with them challenges for macroeconomic adjustment, financial stability, or both... The Asian crisis imposed heavy costs in terms of financial and macroeconomic instability in the affected countries..."**

Ironically, the IMF of late has admitted its shortsightedness in the matter. IEA report published in March 2015, inter alia says: **"The institutional view recognizes that full capital account liberalization may not be an appropriate goal for all countries at all times, and that under certain circumstances capital flow management measures can have a place in the macroeconomic policy toolkit. It has done much to change the public image of the Fund as a doctrinaire proponent of free capital mobility."** Similarly Shri S. S. Tarapore, who headed the RBI committee that recommended capital account convertibility, later, shocked by the aftermath of the East Asian crisis breathed a sigh of relief that their recommendations were not put into action.

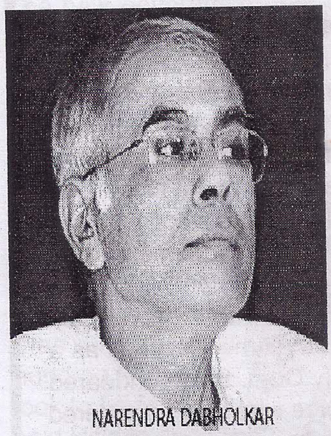
The Meltdown of 2008, the biggest ever crisis since the Great Depression of 1929 saw the United States itself becoming victim of huge external financial flow that inter alia influenced the housing inflation sparking off the crisis.

The liberalization of capital hit rough weather in the academics from very beginning. Particularly after the 2008 crisis, more or less the eminent economists belonging even to contrasting schools were compelled to come together. Personalities such as **Joseph Stieglitz** to Professor Jagadish Bhagawati have found themselves on a common platform: ***"Starting in Thailand in the summer of 1997, the Asian financial crisis swept through Indonesia, Malaysia, and South Korea, turning the region's economic miracle into a debacle. Capital, which had been flowing in, flew out in huge amounts. Where these economies and the Philippines had attracted inflows of over $65 billion in 1996, the annual outflows during 1997 and 1998 were almost $20 billion, amounting to an annual resource crunch of over $85 billion-a staggering amount indeed! This caused currencies to collapse, stock prices to crash, and economies to go into a tailspin. Per capita incomes tumbled to almost a third of their 1996 levels in Indonesia, with the other crisis-stricken Asian countries showing declines ranging from a quarter to nearly half of the 1996 levels... The East Asian crisis in 1998 was the result of this unwarranted extrapolation from free trade, resulting in freed international capital flows." (Prof. Jagdish Bhagwati)***

Joseph Stieglitz is quite known for his critique of IMF prescriptions. He is more upfront : **"Capital market liberalization entails stripping away the regulations intended to control the flow of hot money in and out of the country-short term loans and contracts that are usually no more than bets on exchange rate movements. This speculative money cannot be used to build factories or create jobs-companies don't make long term investments using money that can be pulled out on a moment's notice- and indeed, the risk that such hot money brings with it makes long-term investments in a developing country even less attractive." (Globalisation and its Discontents, 2002.)**

Let us hope that good sense will prevail on the government and the RBI and they will refrain from putting our country in a dicey situation. Let us close the discussion for present, recalling the words of the great economic thinker **Sir James Tobin : "South Koreans and other Asian countries-like Mexico in 1994-95-are victims of a flawed international exchange rate system that, under US leadership, gives the mobility of capital priority... over all other considerations"**.

Treason against Reason : Bloodbath of truth seekers


NARENDRA DABHOLKAR

First it was Narendra Dabholkar in Pune, then Govind Pansare in Kolhapur and now M.M Kalburgi in Dharwad in Karnataka.

Rationalist leader Sanal Edamaraker escaped in seeking refuge in Europe after he faced death threats for expressing the so-called miracle of 'weeping Jesus' in Mumbai and tracing it to a leaking drainage pipe. All such personalities questioned traditional ideas, miracles, superstitions and proposed new ideas that are rational and at times radical. Kalburgi for instance was a leading researcher on teaching of 12th Century ascetic Basavanna and had denounced idol workship in his work and public lectures. By eliminating icons of free speech and rational thought, fundamentalist forces want to reinforce intolerance and obscurantism.

All these killed were septuagenarians and seasoned campaigners for free speech and liberal values. Their free thinking could usher in healthy debate across the country, which would have been welcome. But they have been silenced by death.

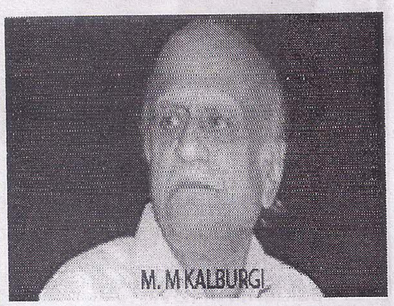

GOVIND PANSARE

What is more disturbing is the openness with which these fundamentalist forces operate in India. An activist issued an open threat to other such free-thinkers on Twitter saying "then it was U. R Anathamoorthy and now it's M. M Kalburgi mock Hinduism and die a dog's death".

For the secular and liberal views, Ananthamoorthy, Padma Bhushan and Jnanapith award winner, remained on the firing line of the extremist forces until his death last year.

The work of rationalists has become far more critical in today's context as superstitions rise and miracle industry spreads its tentacles faster through digital media platforms as well as satellite television. People who peddle miracle care for diseases like cancer and those who sell 'stones' for instant success in business on television not only go unquestioned but are also gaining political patronage.

The rise of the likes of RadheMaa, Rampal, RamRahim, Ramdev are all products of a growing nexus between irrationality, political patronage and celebrity culture. This is a new kind of partnership that sees rationalists as its enemies.


M. M KALBURGI

Here, one cannot miss the similarities with a recent spate of violence by Islamic fundamentalists in Bangladesh. The modus operandi and motives are the same. Secular bloggers like **Avijit Roy, Washiqur Rahman Babu, Ananta Bijoy Das, Niloy Chatterjee, Rajiv Haider**, have been killed in Bangladesh because they challenged fundamentalism, question religious malpractices, and advocate a secular country. Hindu extremist groups are also targeting those, who question Hinduism and want India to be strong secular and vibrant democracy.

They remain just as defiant and devious as the Islamic fundamentalist in Bangladesh.

There is no denying the fact that fringe right wing groups have created an atmosphere of intolerance to outspoken writers and academics who question religious praxis and myths, thereby putting pressure on freedom of speech and expression.

India's gradual descent into majoritarian fundamentalism is alarming. The growth of anti-secular violence is a warning signal to all the right thinking citizens of India to resist the growing clout of these medieval forces.

This is a battle in defence of pluralism. This is the battle for secularism. This is a battle all right-thinking people must engage in and win ultimately.