

IPL's multiplier effect

It should create a wider cricketing eco-system

Contrary to expectations, the 12th edition of the Indian Premier League (IPL), which began on Saturday, did not clash with the election calendar and is being played entirely in India. The global power of this tournament, however, is well established. Not only does every season end with record viewership but India's matches at the upcoming World Cup have been postponed by three days to allow for a recommended 15-day gap between the tournament and the national team's international fixtures. The IPL is the prince among T20 tournaments, attracting top global talent, and it has spawned imitations even in non-cricketing

countries such as Brazil, Canada and the United States. Powered by moneyed industrial groups, its multiplier effect has been notable on the Indian cricketing scene too, offering a wider platform for aspiring Indian cricketers to ply their trade.

But the tournament has far more potential than that. As of now, the IPL offers an alternative path — from the well-worn local club-Ranji Trophy hierarchy — to the Indian national team. But the results are not always optimal since the 20-over format demands a very different set of skills and abilities from the One Day International and five-day Tests. For instance, the left-arm quick bowler

Rajasthan Royals' Jaydev Unadkat, who fetched a record \$84 million at the last round of the IPL auctions, has been an indifferent performer for the national team. Now, it may be time for the Board of Control for Cricket in India (BCCI), which owns the franchise and is responsible for the development of cricket in India, to explore the option of expanding the scope of the IPL in a more meaningful way. Since the IPL has drawn its inspiration from the English Premier League (EPL), the world's most watched football tournament, it would do well to emulate the footballing structure on which it rests.

As such, the IPL is a limited standalone tournament involving eight teams with revolving squads (player auctions are held each year) that compete with each other each year. The structure of the revenue distribution is also somewhat non-incentivised. In the EPL, half the money earned from the UK

broadcasting rights is divided equally among the 20 competing teams and the rest on a diminishing scale, depending on the teams' end-season ranking. International broadcasting fees are shared equally but from the 2019-20 season, the incremental revenue will be dependent on team ranking with a 1.8:1 ratio between the top- and bottom-earning club. This revenue-sharing model, which is considered the most equitable among the continental football leagues, has been a critical reason for the uber-competitiveness and watchability of the EPL, where a minnow like Crystal Palace can defeat expensive, star-studded Manchester City 3-2.

On the other hand, the IPL teams, which get 60 per cent of the broadcasting and sponsorship revenue (with the BCCI taking the rest), share the money equally regardless of their end-season placement. This apart, the EPL operates within the larger footballing

eco-system, with the bottom three teams dropping into the first division and the top three teams in the first division being promoted into the premier league. This promotion and relegation cycle operates down to the second division, offering team owners, players and supporters a genuine aspirational sporting paradigm, making football a dynamic industry in England, with all its multiplier effects on the local economy. It is well within the scope for the cash-rich BCCI to create a specialist T20 tournament hierarchy with more teams that compete in one season to decide the tiers for future divisions within the promotion-and-relegation dynamic.

The purists may well deplore this focus on "instant cricket" but judging by the way this format is spreading around the world, there is no reason for India not to be the proud owner of a truly dynamic cricketing business.

Why SDRs should be abolished

Special Drawing Rights — created as a reserve asset 50 years ago — should be scrapped and the US dollar should be recognised as the world's sole reserve currency

SITHARAM GURUMURTHI

Special Drawing Rights (SDRs) are an international reserve asset created by the International Monetary Fund (IMF) in 1969 to support the Bretton Woods fixed exchange rate system. After the collapse of the fixed exchange system in 1971, the SDR was redefined as a basket of select currencies. The US dollar value of the SDR was calculated as the sum of specific amounts of four currencies valued in US dollars based on the exchange rate quoted at noon each day in the London market. It has limited uses, such as determination of fees by the International Postal Union and as a spin-off, to determine roaming charges for mobile telephones in certain regions, except Europe.

In 1971, when the United States faced balance of trade deficits, the then US President Nixon took two major decisions: to end the war in Vietnam; and second, the US would no longer exchange dollars for gold at the fixed exchange rate of \$35 per ounce of gold. The SDR should have been abolished after this development.

While Nixon took these steps to protect US interests, Willy Brandt, then Chancellor of West Germany, suggested that the members of the European Community should join a "common float" against the dollar. The euro should therefore be seen as an expression of the ego of the European allies, who were not consulted by President Nixon beforehand.

The SDR basket of 16 currencies from 1974 to 1980 was replaced in 1981 by a basket of five currencies — the US dollar, Deutsche Mark, French Franc, British pound, and Japanese yen. After the euro was in place in January 1999, the SDR basket included only four currencies: the dollar, the euro, the pound and the yen. The SDR basket was expanded in 2016 to include the yuan as the fifth currency.

The euro is used by 19 out of 29 countries in Europe. It worked satisfactorily until the eleven countries that joined the euro zone in 1999 — Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain — kept their fiscal deficit within the parameters of the Maastricht Treaty (three per cent of their respective GDPs).

The problem started when countries like Greece were admitted into the euro zone on the basis of fudged budget figures. Due to problems in Greece, Portugal and Italy, the euro declined to \$1.3384 on December 31, 2010. Currently, one euro is \$1.13. It is just a question of time before a euro becomes equal to a dollar or even less.

In his article, "The Euro is still vulnerable: Can it survive?" in the *Washington Post* on January 6, 2019, Robert J Samuelson notes that while the euro has not achieved its central goal of increasing economic growth and strengthening public support for European political institutions, just the opposite has happened. The economic growth of all those countries that adopted the euro has lagged behind the US; in 2019, the euro zone's projected growth is 1.6 per cent, compared to 2.6 per cent for the US.

Martin Feldstein, a professor at Harvard University, believes that the creation of the euro was an economic mistake. It was clear from the start that imposing a single monetary policy and a fixed exchange rate on a heterogeneous group of countries would lead to higher unemployment and persistent trade imbalances.

In the wake of the chaos that followed the June 2016 vote in favour of Brexit, *The Economist* noted in August 2018 that of 140-odd currencies tracked by Bloomberg, pound sterling depreciated against more than 120 currencies. The pound fell below \$1.28 on August 10, 2018, its lowest level in a year. One expectation is that the pound may fall to \$1.15, from its cur-



United States President Donald Trump (right) with National Security Adviser John Bolton and acting Defence Secretary Patrick Shanahan during a meeting with Caribbean leaders in Florida on Friday. Can Mr Trump, who is aggressive on trade matters, push for the US dollar to become the world's sole reserve currency?

rent level of \$1.31, and to parity with the euro. Several economists agree that a no-deal Brexit will be disastrous for the pound sterling.

My submission in this paper is two-fold. First, since, of the five currencies in the SDR basket, both the euro and the pound sterling are in deep trouble, their continuance in the SDR is open to debate. The other two currencies, yen and yuan, do not enjoy a clean track record, since both Japan and China have manipulated their respective currencies in the past to boost exports. The rise of the yen from ¥220 to a US dollar in 1985 to ¥120 in 1986, when then US

President Ronald Reagan imposed import quotas on Japanese cars, is a classic example. Had the IMF removed the yen from the SDR basket in its 1986 review, the yuan could not have made it to the SDR basket in 2016. As this leaves out only the dollar, the IMF should replace the outdated SDR with the US dollar.

Once the US dollar replaces the SDR as the single reserve currency, it could be thought of as a common currency for a select number of countries. Even after the introduction of the euro in 1999, the dollar accounts for nearly 64 per cent of global currency reserves, compared to 27 per cent held in euros, with 40-60 per cent of international financial transactions being denominated in dollars. If both the UK and the EU were to adopt the US dollar as their currency, it will lead to a substantial amount of savings in terms of conversion and transaction costs for payments to the Gulf countries for oil, which is priced in US dollars.

Apart from the eleven countries that joined the euro zone in 1999 and Britain, the dollar zone could cover countries like Canada, Australia and Singapore, subject to certain criteria, like the Maastricht Treaty for the euro, to be prescribed by the IMF for admission into the dollar zone. US President Donald Trump could set the ball rolling for the US dollar to become a single reserve currency.

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Understanding the naysayers on Balakot

SHASHI S VEMPATI

The aftershocks from the Balakot airstrikes continue to reverberate across the global media. A clinical analysis of the reportage, commentary and related conversations on social media reveal a concerted campaign to dis-inform and discredit, but more importantly, to re-hyphenate Pakistan with an assertive India. From state media in the extended neighbourhood to global news wire agencies, and from reputed international newspapers to social media celebrities, the past few weeks have seen efforts to reduce the punitive strikes to a spectator sport where somehow the scores are even.

Why this eagerness to re-hyphenate? The answer lies in the fact that the punitive strikes not only altered the calculus between an assertive India and a battered Pakistan but also caused significant damage to the edifice of global geopolitics that for decades sought to box India into a corner of great power choosing. This apart from the several inconvenient questions that are emerging for Pakistan's western patrons from that aerial dog fight that saw the felling of a relatively modern fighter jet of their making. With a high-stakes general election due in India, this campaign has also become an instrument for manipulation of the democratic process in India.

The campaign to disinform, discredit and re-hyphenate is being waged on several fronts.

The first is blatant fake news being put out by mainstream media outlets in Pakistan through the use of old photographs from unrelated incidents and wrongly reporting current events to feed the narrative of the deep state. The impact of fake news put out by Pakistan is evident from the manner in which state media agencies of nations such as Iran and Turkey carried photographs of fighter jet wreckage from past accidents without verification. Wrongful reporting on incidents such as the fire in an office building in Delhi by certain Pakistani media outlets is an example of the extent to which fake news has become an instrument of Pakistani deep state policy to deflect attention from the Balakot bombing.

The second front is the use of so-called "independent" media agencies to put out a distorted version of the truth. It is pertinent to point out the role of a leading international news wire agency in this front given the steady flow of reports from its stable of apparently "pliable" reporters in advancing the Pakistani version of the truth. The insidious role played by this wire agency needs to be called out for the extraordinary lengths it has gone to, to debunk claims of damage to the terror nursery while on deep state-sponsored treks to the hills of Balakot without actually gaining access to the facility in the immediate aftermath of the strikes.

It is also interesting how a news agency of international repute has reduced itself to an instrument of propaganda, endorsing the state sponsorship of Islamist terror. Did it never occur to its editorial management that its reportage of "no damage" to a terror nursery would follow up with inconvenient questions on why it did not report on the continued existence of a terror nursery with state sponsorship?

The third front is the use of op-ed columns and news analysis pages of leading western newspapers to sow doubts on the effectiveness of the airstrikes and to discredit the professionalism of the Indian Air Force (IAF). It is important to call out the journalistic subterfuge being attempted by these newspapers that have long abused their international reputations to propagate the western world view. The most definitive claims regarding the nature of the punitive airstrikes, their targets, their impact and the subsequent defensive actions leading up to the aerial dog fight, were made in official briefings by the highest leadership of the IAF.

This campaign to sow doubts on the effectiveness of the airstrikes is in reality a campaign to undermine the professionalism of the IAF and in the process hyphenate it with the dishonest junta running the Pakistani deep state. The motivation is quite understandable, for at stake is the credibility of the multi-billion-dollar business of the western defence manufacturing complex, which took a big hit in that aerial dog fight.

It needs to be said loudly, clearly and unambiguously that the burden of proof to disclaim the impact of the punitive airstrikes and the subsequent aerial dogfight rests solely with those who took a battering and not with the IAF, which has been measured and precise in its claims.

The last front in this campaign is social media, where orchestrated hashtag campaigns originating in Pakistan are seeking to take advantage of the partisan political environment in India and manipulate democratic processes ahead of general elections. This is unlikely to make much headway given Indian democracy's capacity to absorb negativity while preserving its integrity.

In closing, a word to the social media celebrities on their clever-by-half punditry that sought to keep score between the world's largest democracy and a failed state: They have unwittingly become "useful idiots" in this campaign to re-hyphenate, being waged by the deep state next door along with its western defence manufacturing patrons. They need to come to terms with the reality that an assertive new India will stand its ground and play by its own rules.

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Govt must acknowledge that the jobs situation is serious

Lack of employment opportunities may rob India of democratic dividend

India's total workforce — the sum of persons in employment — has fallen from 420 million to 373 million between 2011-12 and 2017-18, according to an official Periodic Labour Force Survey (PLFS) report cited by this newspaper. There are apparent differences in data collection methodology used in the latest survey vis-à-vis the for the earlier years, but the findings raise concern. To start with, this is probably the first time that the total number of employed persons has actually registered a decline. The Labour Bureau's data on rural wages, for instance, shows the average annual growth during the last four years at just over 4.5 per cent in nominal terms and a mere 0.5 per cent in real terms after netting out inflation. If the supply of workers has fallen, even for good reasons, it should have led to a tightening of the labour market, which clearly isn't the case.

It is for the National Sample Survey Office, which has done the PLFS, to release its report and clarify the methodology employed that might even make comparisons with previous surveys inappropriate. The government, both the current one and the one that will take over in about two months, must acknowledge that the situation on the jobs front is serious.



India is now in a position where its rising numbers of young people and declining fertility have the potential to reap a "demographic dividend". The lack of reasonably-paying jobs risks turning that into a spectre.

The Indian Express, March 23

BJP bids adieu to old guard

That's what LK Advani's exit means

With the death of former Prime Minister Atal Behari Vajpayee last year, the RSS-BJP no longer sees the need to perpetuate the shabby myth of the kind that the creation of a "margdarshak mandal", or guidance council, represented.

In truth, this was only a gathering of the party's fuddy-duddies who had long seen their day. As such, Lal Krishna Advani, the architect of the BJP's mass party avatar who was considered Mr Vajpayee's co-equal in certain contexts, has now been firmly placed on the shelf. The BJP's first list for the Lok Sabha election, released on Thursday, appears to be a confirmation of this. Mr Advani was MP from the safe seat of Gandhinagar. BJP president Amit Shah will be the candi-

date from there in the coming Lok Sabha polls. This may be seen as the end of the former stalwart's life as an elected public representative.

In truth, Mr Advani should have announced his own decision not to contest the 2019 Lok Sabha polls. It remains to be seen if the BJP will adopt the same technique with another former party chief, Murli Manohar Joshi. It's just possible that he would be given a ticket due to his caste, which appears to be somewhat disenfranchised with the BJP in Uttar Pradesh, where eventually the ruling party's fate might be decided. The signal is clear: the earlier generation should just go home and become a part of party's lore.

The Asian Age, March 23

Who bombed the train?

Samjhauta Express case up in smoke

On February 19, 2007, two coaches of the Samjhauta Express caught fire near Panipat, killing those who were on board two bogies of the train that provides one of the few links between India and Pakistan. A total of 68 persons were killed — 58 Pakistanis and 10 Indian nationals. The NIA, which was entrusted with the investigation, filed a charge sheet in 2013, contending that two improvised explosive devices had gone off. The NIA charged eight persons "angry with attacks on Hindu temples by jihadist terrorist activities". One of the accused in the Samjhauta Express case was killed in December 2007. Three have been untraceable, and the rest were acquitted. The

agency should have relied more on forensic evidence than confessional statements of the accused, which were later retracted on the grounds that they were extracted under duress.

The blast was a terrorist act that took Indian and Pakistani lives. The victims deserve closure, which can only come about when culprits are brought to book. The NIA failed in its duty to present a case that would stand up to judicial scrutiny. Even as the NIA considers appealing against the trial court verdict, it must ensure that the victims get the justice they deserve, and those who perpetrated this terrorist act pay for their crime.

The Tribune, March 23