

The Mission Shakti test: Why now?

The geostrategic consequences to the Mission could be mixed. We will have to wait and see what the pros and cons are



QUANTUM LEAP

DEVANGSHU DATTA

How can you knockout, or disable, an object hundreds of kilometres above the Earth, moving at more than 3 kms per second? Mission Shakti involved hitting it with a missile. It could also be targeted with laser beams, or an electronic pulse weapon, to fry the object without blowing it up.

Why would you do this? Satellites and ballistic missiles are part and parcel

of modern arsenals. Satellites provide observation and communication services, while ballistic missiles can carry nuclear payloads and hit targets thousands of kilometre away.

The ability to interdict ballistic missiles and scramble satellite-based communication networks could be crucial. Such technology might also be useful to guard against the Earth being hit by a meteorite that causes large-scale destruction, or even a mass extinction, as has occurred in the past. Under President Ronald Reagan (1980-88), the USA stumbled upon a more subtle, economic reason for a ballistic missile defence/anti-satellite defence project. The R&D of the so-called *Star Wars* was expensive. The Soviet Union lacked the financial resources to stay abreast of the Americans, and the arms race triggered an economic crisis that probably hastened the demise of the USSR.

In technical terms, viable ballistic-missile defence systems and anti-satellite weapons require similar capabilities.

There is a need to track a fast-moving object, to predict its path, and to have weapons that can reach it. This has to happen quickly — the system must be able to detect, track, and hit the object inside a few minutes.

India had to develop these capacities to manage its own satellite assets, and its missile system. Such a defence system may itself be deployed in space to give quicker response times, and extend range. ISRO has launched satellites with payloads of 5,000 kg-plus. So the DRDO may even be technically capable of deploying such a system in space.

India had a ballistic missile defence system in place, by 2012. By then, it had carried out at least five successful tests, hitting and blowing up missiles (without warheads) using versions of the Prithvi and the Agni. The chief scientific adviser at the time, V K Saraswat, claimed at the 97th Indian Science Congress that India had "all the building blocks in place for an anti-satellite system".

Blowing up a satellite is easier than

intercepting a ballistic missile, as India has successfully done many times. Most medium and long-range ballistic missiles climb well above 300 kilometres during their flight and they have complicated flight trajectories, while satellites have predictable orbits.

India's earlier reluctance to carry out an anti-satellite test could have been due to the widespread condemnation of China's testing of an anti-satellite system in 2007. China hit one of its own defunct satellites, which weighed about 750 kg, at a height of about 800 km. That created 3,000-plus pieces of debris, each cricket-ball-sized, or larger. Some debris collided with a Russian satellite and other pieces caused risk to the International Space Station.

The European Space Agency estimates that, as of January 2019, there were 1950 functional satellites and 3,000-odd defunct satellites orbiting Earth. Space Surveillance Networks track 22,300 pieces of debris larger than 10 cm. So this is a very serious problem.

In 2012-13, the DRDO was looking to tweak the ballistic missile defence system electronically to carry out anti-sat simulation tests, maybe with a "fly-by" where an anti-satellite missile would

pass very close to a satellite without hitting it. The Mission Shakti test hit a 740 kg satellite in an orbit about 300 km from Earth. While this creates debris, it's close enough to the Earth for the pieces to fall into the atmosphere and burn up quickly, reducing the danger.

Why did India do this now? Well, apart from elections, there is an ongoing 25 nation conference in Geneva where a Group of Government Experts are discussing the prevention of an arms race in outer space (PAROS). In analogy to the Nuclear Non-Proliferation Treaty, PAROS may ban the development of anti-sat systems, while offering a waiver to nations already possessing these. After Shakti, India may be hoping to present a fait accompli.

India is a signatory to the Outer Space Treaty, which bans weapons of mass destruction being deployed in space. This test doesn't breach those terms. India is also a member of the Inter-Agency Space Debris Coordination Committee and Shakti was calibrated to ensure minimised debris.

The geostrategic consequences to the Mission could be mixed. The systems were indigenously developed and DRDO, ISRO, et al, have been inured to sanctions since 1998. But other programmes may be affected. We'll have to wait and see what the pros and cons are.

CHINESE WHISPERS

Forbidden line



If a topic ignites Twitter, social media teams of various police units in the country barely let it go unutilised. The Kolkata Police (KP) was quick to lap up the hotly debated

'Mankad' controversy from this week's Indian Premier League match between Rajasthan Royals and Kings XI Punjab in Jaipur. Drawing an analogy between Jos Buttler's dismissal in that match — who was controversially run out by the opposition captain Ravichandran Ashwin — and traffic violation, KP put a screenshot of the dismissal on Twitter along with a photo that showed a car crossing the stop line at a traffic signal. The message in Bangla read: "Crease or road, you will regret if you cross the line." This brought back memories of the Jaipur Police using the infamous no-ball that Indian pacer Jasprit Bumrah had bowled in the 2017 Champions Trophy final to give a similar message. Bumrah had not taken it kindly and had expressed his displeasure on Twitter. Wonder if Ashwin, usually an active and chirpy social media user, has taken note of the KP post.

Another scheme

This is the season of giving and it simply doesn't matter if you don't have a real plan. Now the Communist Party of India (Marxist) government in Kerala has said it would offer farmers a minimum support price that is 50 per cent above the cost of production, ₹18,000 in minimum wages, and ₹6,000 as minimum welfare pension. Thomas Isaac, Kerala finance minister, said the package his party was proposing was better than the income support scheme of the Congress because the CPI (M) did have a strategy for resource mobilisation. And that includes raising taxes on the rich and on corporate profits, restoring the wealth tax for the super-rich, the introduction of the inheritance tax and restoring the long-term capital gains tax.

More trouble

The Congress-Rashtriya Janata Dal (RJD) understanding in Bihar will likely face more trouble in the days ahead. The two parties came to an agreement that Alinagar's Member of Legislative Assembly (MLA) Abdul Bari Siddiqui would contest the Darbhanga seat, leaving two-term incumbent Kirti Jha Azad fuming. Azad, who won on the BJP ticket in 2014, recently jumped ship and joined the Congress. The Congress brass is looking for a seat to accommodate Azad. He is unlikely to be fielded from nearby Madhubani or Jhanjharpur either, with the RJD firmly dismissing his candidature.

EC stand on WVPAT audit must change

VVPAT slips should be matched with the EVM count in 14 booths per assembly constituency



YOGENDRA YADAV

parties. Three, voters should be allowed to register an objection if the paper slips do not match the party they voted for. Four, the malfunctioning EVMs should be replaced within 30 minutes. And five, VVPAT slips should be matched with the EVM count in 14 booths per assembly constituency.

To my pleasant surprise, I received a response from secretary, Election Commission (EC) that the first three of my suggestions are actually part of the electoral rules and are being followed. There is an established protocol of first-level checking of every EVM in the presence of political party representatives. There is also a set procedure for two-stage randomisation of EVMs, which takes place in the presence of representatives of parties and candidates.

There exists an enabling provision (Rule 49 MA of Conduct of Election Rules, 1961), which I did not know about, that allows a voter to object if he or she suspects a mismatch between the paper slip and the party he or she voted. In that case, the presiding officer of the polling booth can order a special 'test vote' to be cast. If it shows a mismatch, polling stops in that booth. I also received detailed and very helpful feedback from a serving civil servant that clarified many of my doubts.

That leaves us with only one real issue: The number of EVMs to be matched with the VVPAT slips and the process of the VVPAT audit.

"VVPAT audit" needs explanation.

With the introduction of the voter-verified paper audit trail (VVPAT) machines, now there are two independent ways through which votes can be counted for each booth. There is the EVM's display board that shows, at the press of a button, the number of votes secured by each candidate. And now, there are paper slips produced by the VVPAT machine that go inside a sealed box, which can be opened and the slips can be physically counted.

The whole point of introducing VVPAT machines was to generate greater confidence among voters, candidates and political parties. Thus, the EVM could now be subjected to "VVPAT audit": Matching votes secured by each candidate in the EVM display with the physical counting of the paper slips.

However, under the existing provision, this verification is for all practical purposes left to the courts. The EC mandates (Rule 16.6) that at the end of the counting, the VVPAT audit should be done in only one randomly selected booth in each constituency. There is also a rule (16.5) that after the counting, but before the declaration of result, any candidate can request for a VVPAT audit in any or all polling stations. But the decision is left to the discretion of the returning officer. Otherwise, the candidate has to approach the courts. So, the number of booths and the process of VVPAT audit are now the heart of the matter.

To my mind, the current controversy can easily be resolved. The Election Commission's insistence that VVPAT audit in just one polling booth per constituency is sufficient makes the audit look perfunctory and suspicious. The EC seems to be drawing upon an expert



TAKE NOTE The whole point of introducing VVPAT machines was to generate greater confidence among voters, candidates and political parties

report given by a committee of reputed statisticians, which seems to have recommended VVPAT audit in only 479 randomly selected booths throughout the country. The statisticians were not wrong. Such a small random sample is adequate to assess the overall reliability of the EVM count for the country as a whole. But that is not the operative question. The point is to verify the system for each constituency and to do it in a way that not only meets statistical standards of proof but also generates public confidence. The EC's proposal doesn't do either of these.

On the other hand, the opposition's demand for 50 per cent audit is unne-

cessary and very cumbersome. You don't need a sample of 50 per cent for any verification. Statisticians tell us that one need not think of sample in terms of percentage of the total number of booths. What matters is the actual number of sampled booths, not the percentage.

So, let me repeat my earlier suggestion that meets both the requirements. One, VVPAT audit should be done in 14 booths per assembly constituency (or assembly segments within a parliamentary constituency). There is nothing statistical or magical about the figure 14. It so happens that each round of counting is done on 14 tables (for reasons I have never understood) in each assembly segment.

Two, this audit should be done at the beginning of counting, not at the end. One randomly selected EVM and its respective VVPAT should be opened and matched on each of the 14 tables before rest of the EVMs are counted. If these match, the rest of the counting should take place as it does now. If not, then paper slips should be counted for all the booths in the entire constituency.

Three, once the counting is over, each candidate should have a right (not left to the discretion of the returning officer) to demand VVPAT audit in at least one booth of his or her choice. Once again, in case of a mismatch, paper slips should be counted for the entire constituency.

Let us hope the EC or the SC would settle this matter once and for all. I really hope this is my last article on an issue that should have been sorted out long ago.

(By special arrangement with *ThePrint*)

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INSIGHT

Bankers, you can have your Jet and eat it too

Using interim financing under IBC is likely to resolve Jet's woes faster and better



DIVA JAIN

way of assets if the fleet is leased). In the case of Jet, all its value is embedded in its operations and as such it is imperative for its operations to continue to preserve the remaining value for creditors. In this light, the SBI chief is correct in insisting on what is being painted as a bailout package for the airline to keep its operations afloat.

Historically most major airline bankruptcies have resorted to what is called debtor-in-possession (DIP) financing to emerge from financial distress. Debtor in possession financing is a loan extended to a firm which is already in bankruptcy. The loan is used by the firm to restructure its operations and preserve or increase value for creditors. Understandably, such a loan prevails over claims from before the declaration of bankruptcy. Debtor in possession financing has been critical for the emergence of most major airlines from bankruptcy. American Airlines availed of \$1.55 billion in DIP financing while in bankruptcy in 2013 and is now in robust health with creditor recoveries higher than 100 per cent. Similarly, Northwest Airlines used \$1.355 billion in DIP financing before emerging from bankruptcy and then merging with Delta Airlines (which had used \$2.5 billion in DIP financing to emerge from its own bankruptcy).

Similarly, United Airlines had used \$600 million in DIP financing to emerge from bankruptcy. Incidentally even in the capitalist America, the airlines received \$900 million in loan guarantees from the government while it was in bankruptcy in order to restructure its business. So the principle of using financing to restructure operations and preserve value for creditors is economically sound and the bankers are correct in trying to apply it to Jet Airways.

What boggles the mind in case of



SETTLE DOWN By not dragging Jet to the NCLT process, bankers are robbing the company of an opportunity to overhaul its operations drastically and in a time-bound fashion to enhance value

the banker's proposal for Jet is the insistence on not using the Insolvency and Bankruptcy Code (IBC) /and not taking it to the National Company Law Tribunal (NCLT). The key determinant of value and creditor recovery once a firm is economically bankrupt (which means that it can no longer pay what it owes in full) is the speed at which the operations are restructured and the new firm emerges from the ashes. In this context the time-bound NCLT process provides the right impetus both in terms of the time frame of restructuring and the degree of restructuring required to preserve the value of Jet Airways. By not dragging Jet to the NCLT process, the bankers are robbing the company of an opportunity to overhaul its operations drastically and in a time-bound fashion to enhance value. By providing financing without Jet being in NCLT, bankers run the risk that the restructuring will neither be timely nor deep enough and they will end up kicking the can down the road and creating a zombie airline. The case of Air India is a classic example of this half-hearted restruc-

turing on the back of open-ended financial support from the government that is used in dribs and drabs to patch up operational inefficiency but never to eradicate it.

This would still have been understandable had the IBC not allowed for DIP financing thereby necessitating the restructuring of operations outside the ambit of NCLT. But the IBC does allow for interim financing and it has been successfully used to restructure Alok Industries. If the bankers want to provide Jet with time and financing to recover its value, it is going to be more efficient and time-bound under NCLT than outside it. In this light the assertion of bankers that applying IBC on Jet will destroy value has been most puzzling. Earlier airline bankruptcies prove the opposite. Using interim financing under IBC is likely to resolve Jet's woes faster and better. Yes dear banker, you can have your Jet and eat it too but only if you use IBC.

The author is a "probabilist" who researches and writes on behavioral finance and economics

LETTERS

Be careful

This refers to "Airlines in India may skip Jet takeover deal" by Arindam Majumder, Shally Seth Mohile and Nivedita Mookerji (March 28). It is quite clear that selling Jet Airways is not going to be an easy task. The State Bank of India's (SBI) expectations to find a buyer and its assertion that the banks hope to conclude the deal by May is just a pipe dream. The consortium, especially SBI, should be more pragmatic. Having been witness to the Air India sale saga for years, one would've thought, we had learnt some lessons.

The real reasons — as indeed your report points out — are high cost of buy, corporate governance issues and weak financials. These are going to be major road blocks in the sale of this once great airline. The lenders' consortium, who are the new owners, would do well to (a) peg their sights low and be realistic and (b) be prepared to accept whatever a potential buyer, domestic or foreign, perceives as the real value of the airline. They should be willing to sell a clean product without any baggage of old staff and any other ties with the past owners. The buyer — if we are able to find one — would want to earn from his investment and it would be possible only if it is a clean deal without any encumbrances.

Krishan Kalra Gurugram

Unnecessary drama

Prime Minister Narendra Modi's (pictured) unusual address after keeping the entire nation on its edge to announce a successful conduct of an anti-satellite



missile test was not only violation of the model code of conduct, but also betrayed his fears about a possible electoral benefit accruing to the Congress for its minimum income guarantee scheme. Finance Minister Arun Jaitley's tasteless comments against the Opposition further confirms the party's nervousness. By no stretch of imagination, the national security imperatives demanded either conducting such a test or a statement from the country's PM at this juncture. It is clear that this has been done with to shift the narrative back to an emotive issue like national security.

Some reports say the country's capability to intercept and destroy adversarial satellites in space had been tested successfully in 2011 itself without making much noise by the Manmohan Singh led UPA-II. On the flip side, Modi's well deserved compliments to the Defence Research and Development Organisation scientists should also be seen as his tacit acknowledgement of successive government's invaluable contribution towards development of space research.

SK Choudhury Bengaluru

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HAMBONE



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Another storm brewing

Indian negotiators at WTO need to push harder

The United States Trade Representative is working closely with the director general of the World Trade Organization, Roberto Azevedo, to tweak the global trade rulebook in order to address some of the concerns of the world's largest economy. If successful, the move can lead to the WTO rescinding certain key flexibilities to some emerging countries, including India. A key element of the changes the US proposes to push relates to the developing countries availing special and differential treatment (S&DT). S&DT gives developing countries special rights and enables them to take commensurate trade commitments based on their economic capacity. It allows developing countries to tweak and, in particular, commit to less than full reciprocity in trade based on their low economic capacity.

S&DT was adopted by the WTO in recognition of the fact that developing countries don't always have the required capacity or resources or indeed the level of market reforms for them to fully compete in all trade arenas. The US argues that many of these countries, such as India, are now members of the G20, and are no longer the weaklings for whom the provision was made. But a reversal of S&DT will not only stall the progress under the WTO but will also actively discourage the participation of developing countries in the multilateral trade framework.

For India, in particular, this development could not have come at a worse time. For a while now India has been at loggerheads with the US on trade issues. Both sides have traded protectionist barbs in the recent past in an attempt to appease their domestic constituencies. For instance, Indian restrictions on US-made medical devices, particularly cardiac stents and knee implants, did not go down well with policymakers in the US. Another flashpoint was when India prevented the import of dairy products from the US for "religious reasons". Things came to a head earlier this month when the US decided to exclude imports from India from its Generalised System of Preferences (GSP) scheme, which allows for certain sets of goods to be imported into the US with zero tariffs. India has been the largest beneficiary of this scheme, with imports worth about \$5.6 billion benefiting from the GSP. This has hurt Indian interests, especially since Indian exports have suffered a long period of middling growth.

Under the circumstances, India is likely to be hurt further if the S&DT aspect is withdrawn from the WTO. For instance, it is feared that in the absence of the S&DT provision, India will not be able to secure the livelihood concerns of its fishermen in the new trade rules for fisheries subsidies. India will also lose its 10 per cent farm subsidy elbow-room, which will be reduced to 5 per cent. When the GSP withdrawal happened, Indian policymakers tried to downplay the adverse impact. That was a mistake. With reference to the S&DT revocation, however, India has made a more forceful attempt to fight it by raising an alarm on how it can cause lasting damage to the multilateral trading system. But Indian negotiators need to push harder, as the time is ticking fast for countries such as India to have a rule-based trading regime with S&DT built-in as an instrument of natural justice.

Crucial for federalism

Finance Commissions are central to the Constitution

Reserve Bank of India (RBI) Governor Shaktikanta Das has expressed concern that the various Finance Commissions' recommendations are too inconsistent with one another. Mr Das was earlier a member of the Fifteenth Finance Commission, and has served as a senior official in the Union finance ministry. He argued that in the past different Finance Commissions had "adopted different approaches on tax devolution" and made grants to states, and that was a problem because more continuity was desired. Presumably in aid of that effort, he made a case for a permanent Finance Commission as opposed to the current system, in which it is reconstituted every five years. This was necessary now that the goods and services tax (GST) had come into operation, and the GST Council could focus on the need for improving tax collections while the Finance Commission could manage other reforms.

Mr Das' suggestions need to be given due consideration, given his background and current post. However, his expectations from Finance Commissions seem misplaced and do not take into account the continuing need for renewal in their recommendations. Finance Commissions survey the fiscal landscape as well as the state of federalism and then make recommendations, which the political class has to take on board. This is substantially different from what Mr Das is suggesting, but it is a requirement that remains important. Mr Das might worry about inconsistency in different Finance Commissions' recommendations, but this ignores the fact that there is a broad trend in recent Commissions to increase devolution towards states. This has been established, and future Commissions will no doubt take it forward.

In fact, the problem is that such recommendations have not been followed up on in the right spirit by successive Union governments. The current government, for example, did not properly act on the Fourteenth Finance Commission's decision to raise the proportion of the shared pool of taxes given to the states from 32 to 42 per cent. Much of that increased allotment was clawed back through various types of cess, as well as a sharp reduction in the Union's outlay on centrally-sponsored schemes. Mr Das was speaking at the launch of a book by one of his predecessors, Y V Reddy, and Mr Reddy pointed out that while different Finance Commissions have made different recommendations, the impact of any one recommendation has never been more than 10 per cent on any particular state. In other words, fears of inconsistency across Commissions are perhaps overblown.

The Finance Commissions are a crucial part of India's constitutional set-up. They allow for constant renewal in how the Union of India approaches federal questions. Creating a permanent Finance Commission with a particular set of rules will hamper this effort and severely undermine the federal structure of India. The states are watching this discussion closely. Already the Union has exerted undue influence on the Fifteenth Finance Commission through a controversial set of additions to the Terms of Reference that some states, particularly in the south, fear will penalise them. The Finance Commissions should be respected, and not viewed as an inconvenience.

ILLUSTRATION: BINAY SINHA



The second-class citizens of cricket

Rules of the game favour the bat over the ball

Why was there a controversy over R Ashwin's Mankading of Jos Buttler in the current edition of the Indian Premier League? Buttler was given out because he was unlawfully outside his crease. In an era when run-outs are determined by millimetres, Buttler's action was tantamount to cheating. Ashwin was not only within the law, he was also right in doing as he did.

Indeed, the law was clarified as recently as 2017 in Ashwin's favour. Under the previous Marylebone Cricket Club (MCC) rule, bowlers were permitted to attempt to run out the non-striker only before entering their delivery stride. Now, bowlers at all levels of cricket will be able to run out the non-striker up to the instant at which they "would be expected to deliver the ball".

But it was reported widely that Ashwin was condemned for following the rule. The kindest thing said about him is that he should have offered Buttler a warning (according to Rahul Dravid and Michael Vaughan, both former batsmen) before running him out.

Of course, batters have no obligation to warn or inform bowlers or keepers if they plan to step out of the crease on the next ball to clout it. Why is the bowler obliged to "warn"?

The answer is, of course, that the bowler is a second-class citizen in the Commonwealth of cricket. The rules are written and rewritten to undermine and deter him. We are often told that it's a batsman's game. But the alacrity and enthusiasm with which the International Cricket Council (ICC) is making life difficult for bowlers is disturbing.

The bowler can claim an LBW if the batsman's body comes between the ball and the stumps but the law saves the batsman if the ball pitches outside

leg stump or hits him outside off stump (a rule brought in the 1970s).

The front foot rule for fast bowlers changed in the 1960s, pulling the bowler further back into the crease. The limitation on bouncers is more recent. The bowler is warned after the first one, though dangerous injuries in top flight cricket have been very rare.

All sorts of field restrictions are imposed on bowlers through the 30-yard circle and Power Plays and leg side limits. ODIs have two balls, one at either end, to keep them harder and, therefore, making it easier to hit them farther.

Batsmen are constantly rewarded and bowlers punished through new rules like free-hits, first for front foot no-balls and then, after 2015, all no-balls. The rules punish errors by bowlers immediately — no-ball, wide-ball, etc — but not those of batsmen (running on the pitch) who receive a couple of non-punitive warnings.

Batsmen can get runners, can come back immediately after retiring hurt, but bowlers cannot. Bowlers can only bowl fixed numbers of overs in ODIs and T20s but there's no limit on how many overs a batsman can bat.

There is no letting up on the assault against bowlers. Every new innovation seems to come specifically to undermine them. The Decision Review (DRS) system may be seen as a bowler's friend but it is not. A 2017 study showed that bowlers got a DRS decision in their favour 20 per cent of the time, versus 34 per cent for batters. Even the protocols of the system itself favour the bat over the ball: The batsman has the autonomy to ask for a review, but the bowler must appeal to his captain.

Batting tactics of all sorts — switch hits, reverse



AAKAR PATEL

The great inflation escape

India, an economy infamous for high and persistent inflation, is currently coming to terms with the opposite phenomenon — inflation over the past year has not just fallen, but fallen more than expected. Inflation forecast errors have become one-sided.

Moreover, inflation components continue to confound, with persistent divergence between food and core prices. (Core inflation is defined as headline inflation minus food and fuel.) In the latest reading, food inflation is at -0.1 per cent and core inflation at 6.1 per cent, with a mysterious 6 percentage point gap between them. Headline inflation at 2.6 per cent is well under the 4 per cent target.

The big question doing the rounds is: Will headline move towards core or will core move towards headline? The two possibilities have diametrically opposite implications for monetary policy (rate hikes versus rate cuts).

Inflation in India can be divided into two clear phases. The pre-2013 period was characterised by rising food inflation and loose monetary policy (characterised by negative real rates). Inflation expectations became unanchored. Core inflation was elevated as transitory shocks became generalised more easily. And all of this manifested in core inflation converging rapidly towards headline.

The post-2013 period is characterised by the opposite — falling food prices and tight monetary policy. A combination of low global commodity prices and good harvests pushed food inflation down. As the Reserve Bank of India (RBI) embarked on inflation targeting, it consciously

kept real rates in positive terrain.

As a result, inflation expectations became more firmly anchored. Transitory shocks began to fade more quickly. All of this has resulted in headline converging towards core, a sign that the country was perhaps moving a notch up on the macro stability radar.

But if this is indeed the case, three questions become relevant: Why hasn't headline been converging to core over the last year, as the post-2013 period suggests? Despite inflation expectations being better anchored since 2013, why is core inflation rising? Will headline inflation eventually go up all the way to 6.1 per cent (where core currently stands)?

Here are three probable explanations.

We believe there has been a slew of price shocks over the past year that has distorted relative prices (of both food and core) and hindered convergence.

Food inflation has been falling sharply since early 2018. We believe there are both structural and cyclical factors for this. As demand in rural India gently recovers, partly led by the new direct cash transfer schemes announced by the government, the cyclical pressures could reverse. We forecast food inflation to rise from -0.1 per cent now to 3.5 per cent by March 2020, though still lower than the 6 per cent long-term average.

Core inflation is not in equilibrium. It is in flux, grappling with a multitude of shocks, which we believe could ease off over the next year.

The education and health components of core inflation have spiked since October 2018. We find



PRANJUL BHANDARI

are acceptable and indeed celebrated. Bowling tactics are looked as cheating. Greg Chappell was within the law when instructing his brother to bowl underarm against New Zealand but he was excoriated and vilified.

Where the rules do not damage the bowler, the associations do. Australia banned the doosra in 2009, saying it was a chuck.

The other aspect is technology, which is allowed unchecked when it comes to bats and other batting gear. Dennis Lillee was criticised for coming out with an aluminium bat, but the modern bat is a bludgeon very different from the wood used by Bradman, Sobers and even Gavaskar.

Modern pads have an outer shell designed to ping the ball off them to maximise leg byes.

Cricket balls have remained the same for a century. Indeed, bowlers have been begging in recent times to be allowed to play with the Duke's ball in Test cricket, because it is of a higher quality and retains a strong seam even after wear. But India continues to use another manufacturer, whose product, our bowlers say, does not meet the standard they expect.

The changes in bats and rules have punished the bowler in terms of the number of sixes hit in international cricket. The most devastating batsman of the modern era, according to the greats who played him, is Sir Vivian Richards, who over a 15-year career hit 210 sixes. It may surprise and dismay readers to know that he is only ranked 22 in the list of all-time six-hitters. All the 21 batsmen who have hit more sixes than Richards have played after him. In fact, the next most recent batsman on that list retired 15 years after Richards (who left in 1991). The man immediately above Richards, and who is 21st on that list, is Marlon Samuels, hardly a player of the same calibre but helped along by tech and rule tinkering.

All this has produced damage. We must not think it has not. Bowling has been looked down on from the time of Harold Larwood (it was Jardine who devised Bodyline but shamefully it was Larwood who was punished for it) to the Dalit cricketer Balu Palwankar.

In our country, where manual labour is despised, bowlers and bowling have suffered. India has for long led the world in looking down on the bowler and the data here is absolutely clear. Try making an all-time Indian XI. The batting is world class (Gavaskar, Sehwaig, Kohli, Tendulkar, Dravid), and the bowling is pedestrian. Kapil Dev, Kumble, Harbhajan and Ashwin are our highest wicket takers. The first three of them average around 30 runs a wicket, and are not in the same league as the Australians or the West Indians or the Pakistanis. In the list of best all-time Test bowling averages, the highest placed Indian bowler is ranked 33 (Jasprit Bumrah) the next one is ranked 62 (Ravindra Jadeja).

If we have not been world beaters in cricket for the longest time, here is the reason: We look down on our bowlers and deity batsmen.

We have been brought up on the cliché that the benefit of doubt must always go to the batsman. But why?

economic evidence that the education inflation data in India is prone to idiosyncratic shocks which tend to dissipate. On the other hand, shocks in health can be both short-lived and long lasting. If the rise is due to a one-off jump in the index, for instance because responsibility for data collection has shifted from the post office to a new agency (the National Sample Survey Office NSSO), since September 2018, the consequent rise in inflation will show up for a year and fade away thereafter.

Lower oil prices, a more stable rupee and a high base could also help lower core inflation. Finally, if higher GST rates pushed the core index higher, this is likely to show up in the inflation print for a year, and normalise thereafter. All said, we believe core inflation could fall by a full percentage point a year down the line.

Once core inflation stabilises in the 4.5-5 per cent range, and food inflation begins to rise gently from the current very low levels, we expect headline inflation to converge gradually towards core, resting sustainably at the 4 per cent target one year from now. A huge win for a country that was earlier characterised by runaway prices.

Until then, however, headline inflation could remain under 4 per cent. We expect a 25bp repo rate cut in the April meeting, followed by another 25bp rate cut in June, taking the policy repo rate to 5.75 per cent by mid-year. Even with this, real rates will remain positive, in our view, anchoring inflation expectations further and strengthening the process by which headline inflation converges to core.

One word of caution: We would hope that the Reserve Bank preserves these gains, and not cut rates by too much, too soon.

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West Asia's Cold War



BOOK REVIEW

TALMIZ AHMAD

Dilip Hiro is one of the most prolific commentators on West Asia today. The London-based author of about 40 books over the past 50 years, he wrote his first study on West Asia in 1982 and has since extensively discussed developments in Iran, Iraq, Lebanon, Palestine and Central Asia. He has also commented on religious extremism in the region and energy politics.

Again, he has regularly analysed social, economic and political developments in his native India and even the state of India-Pakistan relations. All his works are marked by painstaking research and attention to detail so that they are invaluable references for scholars, journalists and students.

Given the ongoing conflicts in Syria and Yemen and the stand-off between the Islamic giants across the Gulf, Mr Hiro has now provided a timely and substantial account of the recent history of Saudi-Iran relations, their convoluted domestic politics, their competitions on doctrinal and political bases, and their ties with the US which have often further complicated their rivalries.

Mr Hiro traces the histories of the two Islamic neighbours, both of which claim "exceptional" status but for different reasons: Iran remains proud of its pre-Islamic grandeur, its significant cultural achievements, and its unique character as a major Shia state. Saudi Arabia is the guardian of Islam's two holy mosques; it also has the world's largest oil reserves. Uniquely, the country is named after its ruling royal family, which espouses Islam's most rigid Sunni doctrine — Wahhabiyah.

Not surprisingly, since the Islamic Revolution in Iran in 1979 the two nations have been fiercely competitive in seeking to spread their influence across the Muslim realm: The kingdom encouraged Iraq's Saddam Hussain to attack Iran in 1980 to overthrow the revolution when it appeared weak

and vulnerable. The war instead strengthened the revolution and imparted to the Iranians a deep sense of grievance against their Arab neighbours and the US as they were targeted by missiles and chemical weapons.

The war also sent Saudi plans awry when, after the conflict, its Iraqi protégé turned on his patrons and occupied Kuwait, bringing in the US as the regional hegemonic power, sealing Saddam's ultimate downfall and the destruction of his nation.

The two countries have also competed for influence in Pakistan and Afghanistan — with disastrous consequences. The kingdom and Pakistan worked with the US to organise the "global jihad" in Afghanistan in the 1980s, while in the 1990s Pakistan, with Saudi knowledge and assistance, promoted the fanatical Taliban in Afghanistan and also used jihad as its instrument of war against India.

These short-sighted and incendiary policies have made Pakistan a haven for state-sponsored extremist groups which, while continuing to attack India, have also become sources of indoctrination and training for "lone-wolf" extremists. They have also promoted trans-national jihad across West Asia that threatens regional order and even the security of ordinary people in far-away Africa, Europe and the United States.

The US has played a central role in fomenting murky politics in the region, particularly with its military actions in Afghanistan and Iraq after 9/11. While its assault on Afghanistan prepared the ground for Taliban resurgence, its overtly sectarian politics privileging the Shia in Iraq opened the door for the spread of Iran's influence in a major Arab country, creating fears of an emerging "Shia Crescent".

The ongoing Saudi-Iran "Cold War" has emerged from these concerns and has pitted the two rivals in destructive proxy wars in Syria and Yemen. The policies of President Barack Obama rejecting a US role in regime-change in Syria and then working with Iran to finalise the nuclear agreement had alienated both US allies — Israel and Saudi Arabia. But this has been corrected by President Donald Trump who has placed his country firmly on the Saudi-Israeli side. After withdrawing from the nuclear agreement, he has added threat of regime-change in Tehran to his agenda by encouraging domestic unrest among the country's minorities, many of whom are Sunni. Saudi Arabia is also being encouraged to shape a "Sunni NATO" to confront Iran and reduce, if not eliminate, its regional footprint.

Mr Hiro has succinctly examined the domestic scenarios in the two rival nations — both of which

are in parlous shape. Iran is experiencing acute economic distress due to US sanctions on its oil exports and financial transactions. This has led to widespread rioting and has also strengthened hard-line elements in the political order that favour confrontation and even talk of war.

In Saudi Arabia, Crown Prince Mohammed bin Salman now enjoys untrammelled political, military and economic power, with aggressive actions against royal, religious and business personalities, suggesting that the hitherto resilient royal order could be threatened by internal dissent.

Mr Hiro concludes his monumental study on a pessimistic note, believing that the hostility between the two Islamic neighbours will not be moderated in the near future. This is a dire warning to countries such as India, which have an abiding interest in regional stability.

The reviewer is a former diplomat

COLD WAR IN THE ISLAMIC WORLD: Saudi Arabia, Iran, and the Struggle for Supremacy

Dilip Hiro
Hurst and Company, Pages 460, ₹699