

Yet another miss with electoral bonds

The bonds are nothing but an official donation-laundering mechanism



WITHOUT CONTEMPT

SOMASEKHAR SUNDARESAN

It is tough to have a reaction that is not tinged with amusement, despair, frustration, and mirth all at once, at the latest developments on electoral bonds. The elections are underway and the apex court is told on oath by the Election Commission, the electoral regulation with powers directly under the Constitution, that electoral bonds are perilous.

First, the sequence. Electoral bonds were spoken of first in the Union Budget speech in February 2017. The bonds were actually launched in January 2018. A non-governmental organisation challenged it immediately with a writ petition in February 2018. Nothing concrete happened with the petitions. Billions of dollars (perhaps one should stick to rupees) of money changed hands and filled the coffers of political parties. Various elections (to the state legislative and local self governments) have taken place since then. Now on the eve of elections to Parliament, the writ petition was considered. And the court deferred the hearing to later.

A quick word on the bonds and how they work: Walk up to the State Bank of India to buy a 15-day bond. The bond can be handed over to any political party with full secrecy guaranteed. Neither do you need to disclose your purchase of the bonds nor do you need to disclose the party to which you donated the bonds. The political parties can claim not to know who the actual donors are. This is

facetious only because they would clearly know who donated in electoral bonds — much the same way in which they know who donates them cash. The bonds give them the legal figment of anonymity, and they stand relieved of the obligation to disclose the colour of money received.

Concerted conspiracy across political parties have already frustrated a less-empowered authority to bring in transparency in political funding. The Chief Information Commissioner had directed disclosure under the Right to Information Act, but electoral bonds have conferred on them the benefit of pretending not to even know who has donated to them.

In a nutshell, the bonds are an official contrivance that works on legitimising concealment of the source of funding for political parties. Put differently, it is an official donation-laundering mechanism. The Attorney General of India is reported to have solemnly argued before the Supreme Court that there is no need for people to know who is funding the political party seeking their votes. The single

biggest threat to the polity is not knowing who is funding the political party that is seeking to serve in government, and therefore, not knowing whose persuasion the government would be amenable to.

The Election Commission of India is a constitutional authority. What the Supreme Court can only do judicially, the Election Commission can do quasi-judicially — a more recent example is the ban on biopics and hagiographic movies made on political leaders. But it took the Supreme Court to remind the Election Commission of its powers to do its work. That is the failure of one constitutional authority.

The next is that of courts. The real task of the highest constitutional court of the land is to handle such matters of strategic importance to the very future of the Republic. Electoral bonds were not an overnight announcement like the demonetisation decision. They were announced nearly a year before their launch and a writ petition was before the Supreme Court in a month after the launch. That was the time to hear the

matter. If the Election Commission did nothing, so did the Supreme Court — do nothing.

To be “fair”, this approach is not specific to the petition challenging electoral bonds. Every material decision of far-reaching importance gets announced and goes on to take a life of its own well before a hearing actually takes place, rendering the outcome a near-total academic enterprise. Indeed, even with demonetisation — a measure that had serious legal infirmities in substance, no immediate relief was granted. Whenever these petitions are considered, the exercise would be academic. Likewise, Aadhaar (and indeed a plethora of legislation passed off as money bills) had the same destiny. It crept up over all walks of life before the court could consider the matter.

An interesting recent closure of a long-drawn infructuous litigation also took place this month — the Supreme Court disposed of litigation over Enron's Dabhol project on the premise that no effective order of any consequence can now be passed.

It can be tragicomic for such developments on matters of electoral law in the world's largest democracy. It is indeed time to reflect on where we have lost our way

The author is an advocate and independent counsel. Tweets @SomasekharS

CHINESE WHISPERS

State without local bodies

It was reported that the 15th Finance Commission might recommend giving more financial freedom and powers to panchayats and urban local bodies, but in Tamil Nadu there are no local bodies because elections to them have not been held for the last 30 months. The elections were supposed to have taken place in October 2016, but were stopped by the Madras High Court after the Dravida Munnetra Kazhagam questioned the manner in which the process was carried out. Immediately after that, the state government began work on delimitation of wards based on the 2011 Census. Because of such procedural delays, Tamil Nadu has been functioning without its 200 ward councillors and 12,524 panchayat leaders.

Reward for a "selfless" act



The young man who jumped on stage at a Digvijaya Singh rally and started praising the Bharatiya Janata Party government at the Centre for the surgical strike against Pakistan has been rewarded (above) for his peshkash. The youth, identified as Amit Mali, was felicitated Wednesday in the presence of Bharatiya Janata Party National Vice-President Vinay Sahasrabudde and Berasia MLA Vishnu Khatri. While the cameras clicked away, Mali sheepishly accepted the bouquet of flowers handed to him by Sahasrabudde, who lauded him for his "selfless act" despite being an "ordinary citizen and not a party member".

No discernible trend

With the end of the third phase on Tuesday, polling is complete on a majority of the 543 Lok Sabha seats. Political parties are busy conducting their own assessments or seeking reports from exit poll agencies as also the betting market about the possible outcome. Leaders in the two big parties, the Bharatiya Janata Party and the Congress, were nervous at the end of phase three because they could not discern any significant trend. The mixed picture has meant these parties are reaching out to party workers to reassess their strategies for the remaining three phases. Some of the most crucial states in the Hindi heartland are still to vote. These include Rajasthan and Madhya Pradesh, apart from a majority of the seats in Uttar Pradesh, which would play a big role in determining the shape of the next government.

Electrification on the fast track

The Railways has upped targets on establishing electric tracks but achieving them may be a challenge

SHINE JACOB

The Indian Railways appears to have electric ambitions, quite literally. Over the next three years, it plans to electrify 28,000 route km (RKM) of track. At least part of the confidence in setting such accelerated targets has to do with the achievements over the term of the National Democratic Alliance (NDA). Official data shows, the national transporter electrified 8,411 RKM between 2014-15 and 2017-18, compared to just 2,617 km added in the previous four years.

As on January 2019, 2,033 RKM were commissioned during the financial year 2018-19, which means the NDA government's tenure saw the completion of over 10,000 RKM of electrification.

The 2019-20 to 2021-22 target, which accelerates each year, is more than double the NDA's track record and is slated to cost \$6-7 billion.

So, the obvious question is whether this is a doable target. A senior official told *Business Standard* the reason electrification gathered pace over the last five years was that the government had made funds easily available. "Minister Piyush Goyal had instructed us that no infrastructure project should be on slow track due to dearth of funds," he said. In place of internal funding only, the transporter started accessing external agencies as well.

But funds are only part of the solu-

tion. The national transporter is close to signing a deal with the Asian Development Bank (ADB) to finance the electrification of 3,378 km, covering 16 sub-projects over 13 states. Interestingly, the agency's own documents has cited the risk of a steadily decreasing share of freight and passenger traffic, power supply and possible changes in the regulatory environment.

These are not minor risks either. Based on a NITI Aayog report, the railways share in transportation of surface freight has declined from 86.2 per cent in 1950-51 to 33 per cent in 2015, owing to shortfall in carrying capacity and lack of price competitiveness. The freight segment is the major revenue earner for the national transporter, and the passenger segment is heavily subsidised.

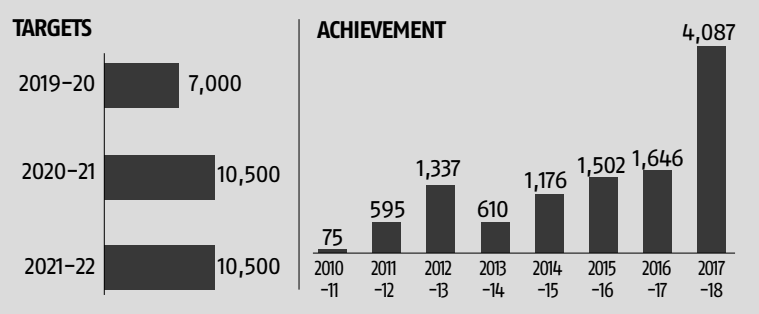
On power availability, an industry source admits that it is unclear whether the existing power infrastructure will be able to cater to the increased demand from the railways by 2021-22. Till January 2019, the Railways claims to have commissioned 32,245 RKM of lines on electric

traction, which is 52.27 per cent of total broad gauge network. But electric traction accounts for only 36 per cent of the total energy bill, with diesel accounting for the balance. According to an internal analysis by the Railways, 64.5 per cent of freight traffic and 53.7 per cent of passenger traffic were running on electrified routes



SWITCHED ON

Targets and achievements in rail electrification (in RKM)



by 2017-18.

Major initiatives to speed up the pace of electrification include introducing new agencies, such as RITES, IRCON and Powergrid Corporation, to execute railway electrification works, adopting an engineering, procurement and construction (EPC)-based

contracting system and an emphasis on mechanised execution. Currently, over 55 gauge conversion projects with total length of 8033 km are in different stages of execution and planning.

Railway officials claim that electrification will enable the transporter to make major savings on the fuel bill.

INSIGHT

Banish the fear of the four Cs



DHIRAJ NAYYAR

The induction of nine experts as joint secretaries in important line ministries of the government of India is a significant step forward in the context of administrative reform. It will bring fresh ideas and domain expertise. However, in addition to personnel, administrative reform also needs to address the process of decision making. As it stands, the system is not conducive to a bold, risk-taking approach to decision making. At its stretched limit, it can perhaps sustain a 7 per cent growth trajectory, but will certainly not enable a quantum leap to a double-digit pathway.

For the economy to reach its true potential, decisions of the bureaucracy must enable the rapid expansion of the private sector. The default mode of the bureaucracy is to do the opposite or at best maintain status quo. For some it may be a matter of socialist hangover but for many more it is simply a matter of watching their backs. The dreaded “four Cs” — CBI, CVC, CAG and Courts — continue to constrain the actions and even the imagination of the average bureaucrat. One of the corollaries of this is the obsession with maximisation of government revenue as an objective of certain policy decisions as if that is the only way to prove beyond doubt the bonafides of the decision maker.

At any rate, the overall public interest, which ought to be the guiding principle of policymaking, has receded to the background.

The Prevention of Corruption Act, 1988, until its most recent amendment in 2018 was a major culprit in inducing over-caution, even policy paralysis by making a bureaucrat liable for prosecution in the event her or his decision led to pecuniary advantage for any person (precisely the outcome of any reformist policy) with the qualification that there is no involvement of public interest. The Modi government's amendment of the Act in 2018 was critical because it now requires proof of misappropriation of assets/disproportionate assets/money trail in order for a bureaucrat to be liable for prosecution.

But the fear has not gone away. That a former secretary to the government is behind bars for his role in the coal scam but not his political bosses leaves the bureaucracy feeling vulnerable. It is not surprising that the government's ambitious strategic disinvestment programme, restarted after a decade in limbo, has failed to achieve even one successful sale because nobody would want to sign off on the sale of a government asset to a private party even if carried out through transparent processes. It isn't surprising that auctions, which are in principle a good way to allocate resources, have not been deployed optimally. Most auctions are designed to obtain maximisation of revenue for the government, which means that an artificial scarcity is often introduced which in turn leads to over bidding. The end result may satisfy the “four Cs” but it may come at the loss of efficiency in the economy with over-burdened private companies and consumers.

It is time for a serious rethink on



the role of the “four Cs” beginning with the CBI, CVC and CAG. These institutions have existed for long but have hardly deterred corruption if India's ranking on global indices is any indicator. Yet they have succeeded in putting the brakes on bold decision making. Interestingly, all three are usually headed and staffed by career bureaucrats (not politicians or experts). So, there ought to be some professional camaraderie with the rest of the system of government and a willingness to rebuild trust.

As a start, these agencies must voluntarily study the larger impact of their actions. They must ask themselves: have they been able to seriously curb corruption or leakages in government? Or have they merely curbed the risk appetite of honest officers? How many corruption cases have the CBI and CVC actually carried through to convictions? What is the quantum of funds that CAG has saved for the government of India via its audit inputs? Someone needs to quantify these in the interest of accountability. After all, there may

be alternative processes available for achieving their goals without nasty side effects. The next government could order a performance audit of these agencies but there is a risk of any such exercise getting tainted as government-interference in independent/autonomous agencies.

The fourth “C”, namely, courts, must also consider the wider implications of their decisions, particularly on bureaucratic decision making and the economy. In some countries, judges must fully analyse any spillover effects of their judgements on the health of the economy before pronouncement.

For India to meet the aspirations of its young population, the administrative system has to be oriented towards bold decision making. Of course, no system should give a free pass to corruption. Over time India's bureaucracy has achieved the worst equilibrium: corruption and timid decision making. For rapid economic progress that needs to change.

The author is chief economist, Vedanta

LETTERS

Proceed with caution

This refers to “Governing uncertainty in geoeconomics” (April 23). Experiments with atmospheric and natural forces are more dangerous than containing and repairing damage. Joint agreements signed at various international conventions like the United Nations Environment Assembly speak of global humanitarian welfare by preventing further global pollution and restoring the maximum possible environmental health. However, isolated climate geoengineering (CGE) experiments to contain temperatures by China within its territory are not to be taken lightly. This gains importance in the absence of a proper understanding of global repercussions.

China appears to be attempting to legitimise features in past multilateral agreements where the subject invoked uncertainty. Experimenting with a natural environment is a public risk — experimentation even within a restricted political area will disturb global climatic conditions. The UN, given the circumstances, has to convene an international forum to consider this development because self-promotion of an economy should not be allowed to compromise international welfare.

As rightly mentioned, research in CGE should not only carry with it a national code of conduct or scientific self-governance but also take into account international political differences and disputes as it is a global environmental responsibility. CGE should be implemented with caution and effective-

ly overseen by the global community.
C Gopinath Nair Kochi

Stop the coercion

Given the rally in global crude oil prices, the US administration's stubborn refusal to extend sanction exemption to countries — including India — importing oil from Iran is indeed a bad news. The US threat that countries continuing to import oil from Iran after May 1 would be subjected to severe secondary sanctions, including being taken out of the SWIFT international banking system and a freeze on dollar transactions and the US assets, is the worst form of coercive diplomacy. Needless to mention, a bigger beneficiary of this arrangement would be the US and not India for reasons too obvious to elaborate. It is a failure of our diplomacy.

Importing from alternative sources is bound to lead to cost escalation, seriously impacting our macro-economic management and widening our current account deficit. Imports from Iran were on terms that no other supplier would be willing to offer. Mercifully, the Trump administration has spared the Chabahar port in Iran being developed by India from such bullying tactics. So far so good.

SK Choudhury Bengaluru

Letters can be mailed, faxed or e-mailed to:
The Editor, Business Standard
Nehru House, 4 Bahadur Shah Zafar Marg
New Delhi 110 002
Fax: (011) 23720201 • E-mail: letters@bsmail.in
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HAMBONE



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Don't dilute IBC

Mediation can be before the insolvency process, not during

The Insolvency and Bankruptcy Code (IBC) has been one of the major reforms of the past five years. It promised to effectively solve what former Chief Economic Advisor Arvind Subramanian has called the "exit problem", in which capital continues to be tied up in unproductive units long after it should have been released. The additional benefits were that, first, it would improve the incentives facing promoters who have traditionally believed that they could hold on to their companies even when running them into the ground; and second, that it would aid public sector banks in particular in recoveries of some proportion of their non-performing assets. These two benefits do not always work in tandem, as banks might see a chance of recovering a larger proportion of their lending if promoters are allowed to participate in the IBC process. Partly as a consequence, the IBC has run into one big problem: Timing. Because the legal system has not been streamlined and also because of a lack of capacity, the original timeline — of 180 days with a 90-day extension — is not being adhered to. One major such case, resolution of troubled Essar Steel, has been pending now for 600 days. The average time taken for the entire process of debt resolution under the corporate insolvency resolution process is 300 days. Though this is a vast improvement over the five to eight years taken under the process prescribed by the earlier Board for Industrial and Financial Reconstruction, there is obviously scope for further improvement under the IBC process.

It has now been reported that one of the ways in which the government is considering modifying the IBC in order to deal with delays is to introduce mediation into the process. This requires more thought. While mediation itself is certainly an important way in which disputes over troubled assets can be resolved, it should not be introduced into the insolvency process itself. Once the IBC is triggered, it should be allowed to continue within the legal system without granting yet another out for creditors and promoters to reach side deals. The point of the IBC process is to create a standardised, open and transparent approach to dealing with problems that have passed the point of no return. If indeed mediation is still possible, it should instead be tried before the IBC is triggered. Once the IBC is triggered, the existing promoters must no longer be considered to be relevant — they are forbidden from bidding, after all.

The government's attempt to address the slowdown in insolvency proceedings is welcome, but the IBC itself should not be diluted significantly. As former Reserve Bank of India governor Raghuram Rajan has pointed out, ideally there should be many alternatives explored before triggering the IBC — and mediation is one of those alternatives. The best way forward for empowering the IBC, however, is to return to what was planned in the original draft of the IBC — namely to create and expand capacity for resolution. A larger cadre of resolution professionals and more capacity in the legal system will go a long way towards addressing slowdowns in the IBC process. The legal system must also play a part in minimising opportunities for promoters and others to appeal outside the IBC in such a way that the process and the timeline are undermined.

Get it right

Direct fertiliser subsidies should be well-targeted

The joint initiative of the finance ministry and the National Institution for Transforming India (NITI) Aayog to devise a system to transfer fertiliser subsidy directly to farmers, instead of routing it through the industry, is a welcome move that can serve several objectives. But the task is far more intricate than the direct benefit transfer (DBT) of some other subsidies, like that on the cooking gas, where a fixed amount is credited to the beneficiaries' bank accounts. Since fertiliser use varies from farmer to farmer and crop to crop and no specific data is available on these counts, it is hard to work out the entitlement of every cultivator. If, as reported in the media, the ministry is planning to use the database of the landed farmers being created for the PM Kisan income support scheme to deposit ₹2,000 in their bank accounts thrice a year, it would be well-advised to think again. This data is ill-suited for fertiliser DBT as it is confined at present only to small and marginal landowners, leaving out tenants, sharecroppers and other categories of genuine cultivators. More intriguingly, it entitles the non-farmer absentee landlords also to draw the benefits of the income support scheme.

However, since the new system would have to be approved and implemented only by the new government that assumes office after the on-going general elections, the ministry has sufficient time to work out a better-targeted system. The key issue is to identify the real cultivators, regardless of the land ownership, and put together a non-discriminatory DBT system that is acceptable to all stakeholders in the fertiliser sector. At present, fertilisers are sold to the farmers at reduced rates and the subsidy is paid to the fertiliser companies on the basis of actual sales as verified digitally through special devices installed at all retail outlets. Aadhaar cards are used to authenticate the beneficiary farmers. Though this system also bypasses the state administrations and other intermediaries and is deemed as a kind of DBT, it is beset with a host of snags. These include belated reimbursement of subsidy dues to the industry and the diversion of cheaper (read subsidised) fertilisers to the chemical industry and to neighbouring countries through smuggling.

Crediting the subsidy amount straight into the farmers' bank accounts, on the other hand, is a better bet in several respects. Apart from plugging the scope for the misuse of subsidised fertilisers for non-agriculture purposes, the DBT would spur balanced application of plant nutrients by discouraging overuse of urea which impairs soil fertility and pollutes environment and groundwater. Moreover, the sale of plant nutrients at market prices, instead of subsidised rates, would introduce the much-needed competition in the fertiliser sector, incentivising manufacturers to improve efficiencies, reduce costs and come out with innovative fertiliser products to meet the farmers' needs. On the downside, the higher retail prices (with subsidy going to banks) may render fertilisers unaffordable for the cash-stressed small and marginal farmers. Besides, the subsidy amount may also tend to be put to other uses. Thus, the new system for fertiliser DBT would need to aim specifically at promoting efficient, balanced and need-based use of plant nutrients keeping in view the interests of all categories of farmers, whether landowners, tenants or share-croppers. Otherwise, the very purpose of DBT would be defeated.

Being bold to seize a breakthrough opportunity

A practical solution, made by Indians, is available to address the serious problems of ecological and farmer distress

Global warming, already a harsh reality, is now accelerating. As the fascinating documentary *Our Planet Earth* on Netflix, warns us, the Earth may well be facing an existential crisis. The Intergovernmental Panel on Climate Change's (IPCC's) report of October 2018 (https://youtu.be/rVjp3TO_jul) contains a dire warning that our window to reverse the environmental damage could well close in less than the next two decades. The increase in the greenhouse gases (GHGs) and carbon dioxide (CO₂) levels are much beyond the threshold level of 350 parts per million (ppm). They are currently at 410 ppm. In recent months, scientists have warned us that we are in a grave danger of missing the Paris targets of keeping global temperatures from rising above 2 degrees centigrade. The ongoing protests across Europe, unprecedented in their scale and duration, reflect rising public concern at this impending disaster. It is time that we, in India, make the fight for ecological protection into a *Jan Aandolan*.

Agriculture is one of the major contributors of GHGs as well as a victim of the global warming. It is also by far the largest user of water and is suffering from severe soil degradation. This poses a grave threat to our food security on

account of extreme weather events — prolonged dry spells, frequent cyclones, untimely rainfall, pest attacks, etc. We also see that the food we are eating is neither as nutritious as in the past, and nor is it any longer safe on account of heavy unregulated dosage of chemical fertilisers and pesticides. It is not a problem of the Indian farmers alone, even though they have been bearing the brunt of it. It is a not just a problem in India. It is a civilisational crisis. And it is getting worse by the day.

Climate change will have maximum deleterious impact on our 130 million farmer households (nearly 650 million people), who have very limited capacity to take adaptive and mitigating measures to cope with the emerging catastrophe. Farmers livelihoods were already adversely affected on account of ever-increasing costs of chemical inputs, seeds, irrigation, higher production and marketing risks, etc. Looking into the future, the situation is very grim on account of the climate change. It is therefore incumbent upon us to actively support the government's initiative for making our agriculture both more productive, thereby doubling farmers' incomes, and ecologically friendly at the same time. The costs of delayed cognisance and inaction could well be overwhelming.

Most fortunately, a practical and proven method is now available for us to address this serious twin problem of ecological and farmer distress. Please believe me when I tell you that there is a solution, a unique solution, made in India, by Indians. A very low-cost solution. A solution which shows results very quickly. It is a solution which has caught global attention as a potential solution for addressing the global ecological crisis. It is not a technology solution which is still at a lab scale. It has been under implementation within the country for the last 25 years, but at a relatively small-scale. Nonetheless, nearly 5 million farmers have been exposed to it and nearly 1 million farmers have successfully adopted the method. Half these number, viz 523,000 farmers are in Andhra Pradesh. Therefore, it is a proven method, though not so far mainstreamed by our agro-scientific community. This mainstreaming is urgently needed.

However, the almost unsurmountable problem in our context is that this agricultural practice, though being practiced successfully by nearly a million farmers, does not so far have the seal of approval from the 'agro-scientific establishment' of Western countries or their followers in India. It is therefore, ridiculed and dismissed as mumbo jumbo, just as our own traditional schools of medicine and preventive health care are derisively dismissed. It is time to shed our lack of confidence in our own solutions.

To reverse the climate change impact, we need to put 20 billion million tonnes of CO₂ each year, into the



PAHLE INDIA
RAJIV KUMAR

India's growth record is a puzzle

India's economy grew at an average of 7.4 per cent during the five years of the National Democratic Alliance (NDA) regime, 2014-19. This compares favourably with United Progressive Alliance II's (UPA II's) record of average growth of 6.7 per cent.

The average in the NDA regime tells us little about how growth actually came about. The highest growth in the period — of 8.2 per cent — happened in 2016-17, the year of demonetisation. Growth of 7.2 per cent in the year that followed, 2017-18, defied forecasts that were closer to 6 per cent. In planning for the year ahead, policymakers used growth estimates for the current year that came to be significantly revised later. They were thus operating on the wrong premises. Nevertheless, growth happened.

Let us begin with the first year of the NDA regime, 2014-15. The previous year's Economic Survey had forecast growth of under 6 per cent in 2014-15. In January 2015, when the base year was changed from 2004-05 to 2011-12, the advanced estimate for growth for 2014-15 galloped to 7.5 per cent! The Survey of 2014-15 forecast growth in 2015-16 at 8.1-8.5 per cent. This forecast was eventually proved right — growth came in at 8.0 per cent in the final estimates.

However, this was not the basis on which the Survey of the next year, 2015-16, worked. The Survey of 2015-16 used growth estimates of 7.2 per cent for 2014-15 and 7.6 per cent in 2015-16. The Survey forecast growth of 7-7.75 per cent for the following year, 2016-17. It had estimated India's growth potential at 8 per cent plus. The estimate for 2015-16 and the forecast for 2016-17 would thus have meant that there was scope for fiscal and monetary stimulus. The reality was that the economy was moving towards its growth potential on its own.

In 2016-17, economic policymakers faced an even more serious handicap: Lack of information about the intentions of the political authority. Demonetisation, announced on November 8, 2016, was not factored into the policymakers' calculations. But this turned out to be far less of a problem than might have supposed.

Growth came in at 8.2 per cent in 2016-17, at least half a percentage point above the Survey's forecast despite the impact of demonetisation on five months in the financial year. How did this miracle come about? The answer is provided by the quarterly gross domestic product (GDP) figures. We know from the revisions to GDP figures effected in February 2019 that in Q4 of 2015-16, growth had touched 9 per cent.

NUMBER GAME (In %)

	Economic Survey forecast	GDP growth
2013-14	4.7	6.4
2014-15	<6.0	7.4
2015-16	8.1-8.5	8.0
2016-17	7.0-7.75	8.2
2017-18	6.75-7.5	7.2
2018-19	7.0-7.5	7.0

In Q1 and Q2 of 2016-17, GDP growth was 9.2 and 8.7 per cent respectively, more than one percentage point above the Central Statistics Office's (CSO's) estimates at the time. The impact of demonetisation was felt in Q3 and Q4 of 2016-17. But it was not the only factor impacting growth adversely. Net exports had turned strongly negative in Q3 of 2016-17. GDP growth dropped to 7.4 per cent on account of both these factors. It fell further to 6.8 per cent in Q4 2016-17.

We can now understand why GDP growth in 2016-17 was as high as 8.2 per cent despite the impact of demonetisation. When demonetisation was announced, the economy was growing at 9 per cent. As a result, growth remained at a high level even after factoring in the loss due to demonetisation. If you thought that the economy was growing at around 7.5 per cent prior to demonetisation, as the Survey did, the growth rate of 8.2 per cent in 2016-17 would certainly have come as a huge surprise.

In forecasting growth of 2017-18, the

soil in the form of stable soil carbon. There are some measures by which the CO₂ can be removed from the atmosphere. The IPCC has analysed all the available solutions. Of all these, "soil carbon sequestration" and "afforestation & reforestation" are seen to be the most impactful and cost-effective.

The solution is farming in harmony with nature. The technology has been given by an amazing individual, Padma Shri Subhash Palekar. He has called it the zero budget natural farming (ZBNF). It is a miraculous solution to increase organic carbon (OC) in soil by practising farming without using chemical fertilisers and pesticides and yet ensuring that productivity levels remain at the same level while total costs decline substantially. This ensures rising farmers' incomes, thereby overcoming the financial distress in rural sector.

ZBNF practices can broadly be classified as Regenerative Agriculture. The practices are also called agroecological practices. This is at present being demonstrated across many states, from where farmers' representatives have presented their case studies in a conference convened by NITI Aayog in February 2019. Most notably, the success has been achieved in Andhra Pradesh, Maharashtra, Bundelkhand and parts of Haryana. These champion farmers have demonstrated that they can improve their income and welfare levels while at the same time making a paradigm shift that provides real solution to the climate change problem.

ZBNF practices are built on four core principles, which are called its four wheels. These are: *Beejamrutham* or microbial seed coating through cow urine and dung-based formulation; *Jeevamrutham*, or enhancing soil microbiome through 'inoculum of fermented cow dung, cow urine, jaggery, pulses flour and uncontaminated soil'; *Achhadana*, mulching with crops, living roots or crop residue; and *Waaphasa*, which is fast build up of soil humus through stable carbon that promotes soil aeration, soil structures and water-vapour harnessing. It is perhaps not well known that our atmospheric moisture contains ten times (!) the amount of water underground reservoirs. As recently reported, Israel, quite expectedly, is on the verge of commercialising technology to harness this atmospheric moisture. ZBNF achieves this by using traditional methods that have for long allowed a humus rich soil to absorb moisture atmospheric moisture, thereby becoming more resilient to droughts.

The writer is an Indian economist and is currently the vice-chairman of the NITI Aayog. Views are personal. The concluding part will appear tomorrow



FINGER ON THE PULSE
T T RAM MOHAN

deported "to the east" in the fall of 1942, and murdered at Auschwitz.

Hedy's parents, Hugo and Bella, met the same end. In her final letter to Hedy, Bella wrote: "Continue to be always good and honest, carry your head high and never lose your courage. Don't forget your dear parents."

What's most chilling about Mr Dobbs's book is how his account of the early years of World War II echoes our politics today. Xenophobia, isolationism, a fear of destructive infiltrators and an aversion to more war all conspired to keep refugee quotas low, when they were filled at all. Robert Reynolds, a Democratic senator from North Carolina, thundered in a Senate speech that "if I had my way I would today build a wall about the United States so high and so secure that not a single alien or foreign refugee from any country upon the face of the earth could possibly scale or ascend it." It was sentiments like his that may have kept Franklin Roosevelt from raising immigration quotas and account-

ed for obstructionist (and anti-Semitic) State Department policies.

Until recently, it was considered a truism that American policy toward Europe's Jews constituted an enormous moral failure. Today, as our politicians quibble and send refugees back in the direction they came, one can only wonder what misery awaits the displaced. When current policies and opinions so closely resemble those held during Hitler's early days, one wonders, too, if the moral clarity of "never again" may have been fleeting. In raising those questions, Mr Dobbs's book provides a glimpse of how we may be judged by future generations.

The writer is a professor at IIM Ahmedabad. tt@iima.ac.in

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THE UNWANTED: America, Auschwitz, and a Village Caught in Between Michael Dobbs 343 pages, Alfred A Knopf, \$29.95

When the US kept immigrants out



BOOK REVIEW

ANNA ALTMAN

On the morning of November 10, 1938, Hedy Valfer, a young Jewish girl from the town of Kippenheim in Germany, was on her way to school. She saw that the windows of Jewish homes had been smashed. As she fled for lessons to begin, the usually gentle principal pointed at her and yelled, "You dirty Jew!"

Kristallnacht was a turning point for the tightknit community of Jewish families who had lived in Kippenheim for five generations. Over the next four years, its 144 Jewish residents suffered dispossession, and the indignities and crimes of their Nazi overlords.

In *The Unwanted*, Michael Dobbs, a former reporter at *The Washington Post*, tells the story of the town's Jews as they desperately sought a path to a new life elsewhere. Most hoped to find refuge in the United States. Mr Dobbs weaves the story of their declining fortunes with a day felt different. On her way to school, she saw that the windows of Jewish homes had been smashed. As she fled for lessons to begin, the usually gentle principal pointed at her and yelled, "You dirty Jew!"

Jewish organisations attempted to reason with recalcitrant officials, potential escape paths closed off one by one.

Relative wealth and connections abroad meant that many Jews from Kippenheim were able to escape to Britain, Canada and the United States. Hedy was sent to Britain on a *Kindertransport* in May 1940. But the bureaucratic churn of long lines, rerouted ships and missed connections left many stranded. In October 1940, Jews in the southwest German region of Baden, which included Kippenheim, were deported to Vichy France, where they were interned in a muddy, typhous wasteland at Gurs. Of the 6,500 Jews deported, roughly one in four died in French camps; four out of 10 were sent to Auschwitz. Still, several Kippenheimers made it to Marseille and then on to the United States via Morocco.

Mr Dobbs never says why he chose