

India's leap in the space

It remains to be seen whether political will sustains subsequent steps crucial to consolidate this momentum



HARSH V PANT & SHOUNAK SET

Prior to the televised 10-minute address in Hindi on the noon of March 27 by the Indian prime minister, few had expected that he would be announcing the beginning of a new space age for India. Prime Minister Narendra Modi declared that India had successfully conducted an anti-satellite missile test, lauded the scientific establishment, emphasised that this was a measure for national security without contravention of any international law and assured that the step wasn't aimed towards any specific state. The exercise, dubbed as "Mission Shakti", represented a Direct Ascent Kinetic Kill, where a ballistic missile from earth without any explosive warhead destroys the targeted satellite

upon impact through friction.

The Indian space programme marks half-century this year, as the Indian Space Research Organisation (ISRO), the sixth largest in the world, was established in 1969. It has carved a niche not only through exemplary cost-effectiveness and innovative societal applications, but by hosting the largest constellation of civilian satellites in the Indo-Pacific region, the success of the Mars Orbiter Mission and creating the world record of launching 104 satellites from a single rocket. ISRO being oriented towards civilian projects, the ASAT test was under the aegis of the Defence Research and Development Organisation (DRDO). Architect of the indigenous missile programme, DRDO had been publicly expressing the intention for an ASAT test since 2012. The test was conducted through adapting India's indigenous Ballistic Missile Defence interceptor vehicle which targeted a functioning Indian satellite at a height of 300 km from the earth in the Low Earth Orbit within three minutes.

Satellites enable features from civilian to military, scientific and commercial — and thereby, outer space is integral to the functioning of modern societies as a diverse range of services

and devices ranging from missiles to mobiles, banking to navigation, meteorology to disaster management are irreversibly dependent upon it. The strategic utility of space was evident from the early years of the Cold War where both the USA and the erstwhile Soviet Union had historically demonstrated a wide array of space weapons including anti-satellite missiles. As the Space Age dawned with the advent of Sputnik in 1957, research and development in various types of anti-satellite systems can be traced on both sides of the Iron Curtain from this time. However, the 1980s marked the crest with President Ronald Reagan's Strategic Defence Initiative and was followed by a prolonged trough.

Ending decades of stability, China conducted an ASAT test in 2007 and the USA responded a year later. Since then the USA, China and Russia have accelerated their military space activities in varying degrees and the arrival of new technologies like hypersonic glide vehicles and nano-satellites further complicates the picture. While there hasn't been any conflict in space itself and establishing weapons in space is proscribed as per the Outer Space Treaty of 1967, strategic applications of space technology are neverthe-

less widespread. Deploying a weapon system in space denotes weaponisation of space and is in contravention of the Outer Space Treaty; in contrast militarisation of space entails using space for military purposes and is legitimate.

Incidentally subsequent proposals to restrict arms race in space has been languishing in the United Nations Conference on Disarmament since the 1980s owing to opposition primarily from the United States. The European Union, Russia and China have, in the recent past, put forward various proposals ostensibly to prevent weaponisation of outer space; but platitudes notwithstanding consensus remains elusive. India has consistently opposed weaponisation of space and upholds space as a common heritage of mankind — it was the Chinese ASAT test (2007) that aggravated India's security concerns and catalysed the establishment of an Integrated Space Cell within the ministry of defence. Outer space being integral to key strategic and civilian functions, securing assets in space has emerged a crucial priority; and India now joins the select quartet of countries in the world possessing the ability to project hard-power in space along with the USA, Russia and China.

The tests seem to be driven by considerations of security, demonstrating technological prowess, and by the rightful Indian insistence on having a voice at the high table of global politics; a recurring theme of Indian diplomacy. As the Ministry of External Affairs underlined, "India expects to play a role in the future in the drafting of interna-

tional law on prevention of an arms race in outer space...in its capacity as a major space faring nation with proven space technology." The selection of the target at the Low Earth Orbit aimed to prevent space debris since space pollution is a universal concern. Further the assertion of upholding international conventions signalled India's desire to be perceived as a responsible global player — the Chinese ASAT test of 2007, for instance, had been condemned globally for lack of transparency and generating the largest amount of space debris in history.

The unequivocal assertion about the military nature of the tests is welcome for a country where enduring amnesia about the role of force in international relations circumscribes its emergence as a great power. Space assets had been harnessed for ISR (intelligence, surveillance and reconnaissance) functions — cross-border raids and aerial strikes like that of post-Uri and Balakot, being facilitated through satellite reconnaissance and remote sensing, for example — but the ASAT test establishes a new aspect to the deterrence matrix. Yet space power cannot be optimally utilised in the absence of an Integrated Space Command and a cohesive space doctrine. The test conclusively establishes India as a preeminent space power, but it remains to be seen whether political will sustains subsequent steps crucial to consolidate this momentum.

Pant is director, studies at Observer Research Foundation, New Delhi; Set is a PhD candidate at King's College, London

Airports infrastructure in take-off mode

The business enters a new paradigm with the entry of the Adani and Tata groups

SURAJEET DAS GUPTA

With nearly half the country's airline passenger market under their control, south India-based GMR and GVK groups dominate the airport infrastructure business. The rest of it is shared between state-owned Airport Authority of India (AAI), the states and some private-public partnership projects.

Over the past few months, this business has suddenly perked up with two significant new private players with very different strategies making their entry. First came the Adani group, which a few weeks ago emerged winners in the bidding for six airports that were put up for privatisation, leaving GMR and government-backed National Investment and Infrastructure Fund far behind. From virtually nowhere (it used to run the Mundra airport in Gujarat), this west-based group has emerged as a big contender in the business. Then last week, the Tata group, decided to pick up a 20 per cent stake in GMR Airports, the company

through which the group controls its stakes in Delhi (in which it has 64 per cent stake), Hyderabad (63 per cent) and Goa (wholly-owned).

The deal gives the Tata group a toehold in a business that has eluded it for almost two decades, this time as investors. For GMR, which had approached the Tatas after Mitsubishi did not agree with the terms of the sale, the deal will bring them much-needed cash to reduce their group debt of ₹20,000 crore by around ₹8,000 crore. It will also provide them with an investor with the brand name to attract fresh capital and wherewithal to bid more aggressively for global and domestic airports.

To put the new battle lines in perspective, the Adani group, by winning the six brownfield airports, would control over 11 per cent of the domestic passenger market and just below 10 per cent of international passengers. The six airports — Jaipur, Lucknow Ahmedabad and Guwahati, Thiruvananthapuram and Mangaluru — are expected to see domestic passenger growth of 15 per cent to 25 per cent a year.

To be sure, the Adanis has a lot of catching up to do. That is because GMR is not stopping its relentless drive for winning new airports and expanding old ones. It has won Goa and Vizag, both of which are greenfield projects, and is the highest bidder in brownfield Nagpur. With these airports in their bag, the group will continue to lord it over the Indian airport infrastructure business with 33-34 per cent of passenger share.

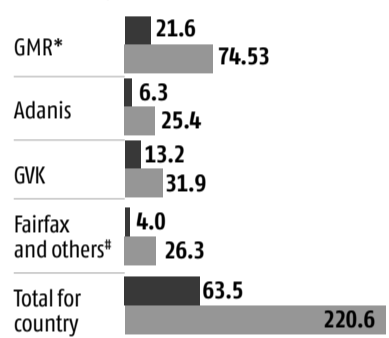
The group is winning global airports — Cebu in the Philippines, Crete in Greece, with annual capacities of 30 million. It is also doubling capacity in Delhi (119 million in phases from 65 million currently) and almost tripling it in Hyderabad (34 million from 12 million). A source close to the company points out: "With the Tatas as investors, GMR will have a strong financial partner to support them in investing in expansion of airports as well as capital for greenfield projects. GMR on the other hand has the expertise to run airports and is already the fourth largest airport operator in the world. It's a win-win for both"

Old rival GVK, meanwhile, is also getting its act together. It may have had to sell Bengaluru airport to investors led by Fairfax to overcome a cash crunch but it still has an over 20 per cent share of international passenger and 14 per cent of domestic traffic from Mumbai. And it recently reportedly halted an attempt by

TICKETS TO RIDE

■ International passengers (mn) between Apr 2018–Feb 2019

■ Domestic passengers (mn) between Apr 2018–Feb 2019



*With Tatas as investors; # (Bangalore); Note: GMR figures have taken into consideration Delhi, Hyderabad, Goa, Vizag and Nagpur. Adanis include the six airports which they have bid and won. Source: AAI

the Adani group to get a toehold in Mumbai airport by invoking the first right of refusal and acquiring the stakes of its partners led by Airports Company South Africa and increasing its stake to 74 per cent from 50.5 per cent earlier. GVK has also won the concessionaire bid for the new Navi Mumbai airport, which will have a capacity to handle over 60 million passengers a year.

It is the new kid on the block, the Adani group, that could face the most

challenges. The winning bid was based on an inflation-linked per-passenger fee offered to the Airports Authority of India. On average, the difference between the bid by Adani and the second-highest bidder varied from 20 to 155 per cent. Many say the high bid is the price for market share. Competitors, however, say that the bids are unsustainable. "While aero revenues are controlled by the regulator and fixed for five years, the airport operator will pay more every year per passenger as the fee is pegged to inflation annually. The model looks unsustainable as the operator will be dependent merely on huge annual increases in non-aero revenues to make up for the increase in costs," says one of the competitors who decided to bid low.

Adani says it will require fresh investments very soon because most of the airports need expansion, adding about Rs 10,000 crore to the bill. Plus the group will have to pay a book value of the airports to AAI which will then transfer the assets — again, a cost. CAPA, however, says that they could sweat assets by putting up additional capacity and handle up to 200 million passengers in the six airports annually of around 31 million for 11months between April 2018 and February 2019.

With passenger growth pegged at 14 to 15 per cent, airport infrastructure could be a make or break business for both new players and incumbents.

CHINESE WHISPERS

Fading star power in Tamil Nadu

Election campaign and politics in Tamil Nadu were always "star-studded" when M G Ramachandran, J Jayalalitha, and M Karunanidhi held the reins. Even during the last Lok Sabha and assembly elections, actors Namitha and Vadivelu were among the stars who had campaigned for the two major parties — All India Anna Dravida Munnetra Kazhagam and Dravida Munnetra Kazhagam (DMK) respectively. However, this time the number has dwindled. The reason could be that stars may perceive a threat to their career if their rival parties win. For instance, Vadivelu was vocal in his campaigns for the DMK before the assembly elections in which the AIADMK came to power. He has not been seen in films for over a year now. Another reason is many of the stars have plunged into full-time politics, such as Kamal Haasan, Vijayakant, Sarath Kumar, Rajinikanth, to name a few. With barely a few days to go for the Lok Sabha election, it is yet unclear whether stars would campaign for their peers.

Leader first, pleader next



With nine days to go for the Lok Sabha elections, some senior lawyers, who are also Congress leaders, have sought adjournments in their cases. Senior advocate Salman Khurshid (pictured) has kept the entire month of April for election-related work, and accordingly requested the National Company Law Tribunal to adjourn the case to any date other than in April. The tribunal acceded to his request and gave a date in May.

Symbols of recognition

The Election Commission (EC) is launching more than 30 election symbols for potential independent candidates in the upcoming general elections. Every independent candidate wants an eye catching symbol so the voters can differentiate easily. The EC has decided not to disapprove them. In the list this time are symbols such as ludo, pen drive, CCTV cameras, laptop, earrings, apple, robot and the like. These are some of the free symbols that are available for the independent candidates. According to the EC, some 200 election symbols will be used during the polls.

SC judgment is a blow but war on bad loans will continue



BANKER'S TRUST

TAMAL BANDYOPADHYAY

At the risk of being in contempt of court, I would love to say that Tuesday's Supreme Court judgment in military parlance is akin to a "surgical strike" on the Indian central bank. The judgment is a big blow to the Reserve Bank of India's (RBI) war against rising bad loans in Asia's third largest and the world's fastest growing major economy.

The apex court has set aside the February 12, 2018, circular of the RBI, which among other things directed banks to take the defaulting power, sugar, and shipping companies to the insolvency court. A bunch of power companies, as well as industry bodies such as the Association of Power Producers and Independent Power Producers Association of India, had in August 2018 moved the Supreme Court, challenging the constitutional validity of the circular.

On what grounds has the court squashed the RBI directive? Typically, the courts, even in developed markets, do not interfere with policy decisions of the government and the regulatory bodies in "deference" to their expertise. (Remember the landmark case of Chevron USA, Inc. Vs Natural Resources Defense Council, Inc. in 1984 that led to the coinage of the term "Chevron Deference"?) However, a court can always look into the procedural violation in the implementation of a regulation. And, it can also take a call if it finds that

a particular regulation is violating any constitutional provision.

In this case, the two-judge Bench of Justice Rohinton Fali Nariman and Justice Vineet Saran has found that the circular has violated the spirit of Section 35AA of the Banking Act, amended in May 2017. Under this Section, directions can be issued for "a default" but the regulator, in this case, has bunched up many default cases.

The power companies had, in fact, alleged that the RBI has adopted a "one-size-fits-all" approach without taking into consideration why the power companies could not pay up their debt. They have also based their arguments on the issues of supply side (shortage of coal) and demand (inability to raise the tariff). The RBI, on its part, has maintained that those companies were given ample time to resolve issues but they failed.

The RBI won the first round of the court battle when in August 2018, the Allahabad High Court denied any relief to the power companies, represented by the two industry associations. It, however, suggested that the government could use Section 7 of the Reserve Bank of India Act and "direct" it to modify the order — something which the government threatened to do.

Following the Allahabad High Court judgment, some three dozen companies moved the Supreme Court that transferred all the cases being fought at different high courts (in Chennai and Delhi) to itself and also stayed insolvency proceedings against these companies.

The final order sealed the fate of the RBI's circular that was put up on the Indian central bank's website close to midnight of February 12. Why was it so? The next day, February 13, was a holiday for the markets and the banking sector on account of Maha Shivaratri. By releasing it ahead of a holiday, the RBI wanted to avoid any knee-jerk reaction from the market.

To be sure, the government has all along had a soft corner for these companies; it had tried hard to convince the central bank to go soft on the cir-



LINE OF CONTROL While typically, a court does not interfere with the policy decisions of the government and the regulatory bodies, it can always look into the procedural violation in the implementation of a regulation

cular and even threatened to "direct" it using a clause of the RBI Act but without success. Despite the government's nudge, the central bank did not dilute its stand on taking the power sector defaulters to the National Company Law Tribunal (NCLT).

Many say the starting point of the conflict between former RBI governor Urjit Patel and the government was this circular that turned acrimonious in due course and finally led to the exit of Patel in December. The circular had asked banks and other lenders to either execute a resolution plan for big stressed accounts (of ₹2,000 crore or more) or file insolvency petitions against them in the insolvency court. For resolution, 180 days were given, failing which the asset was to be taken to the NCLT for insolvency.

This was only one part of the circular. It had many other directions. For instance, all existing frameworks for addressing stressed assets — such as corporate debt restructuring, strategic debt restructuring and the scheme for sustainable structuring of stressed assets, among others — were withdrawn and the joint lenders' forum, an institutional mechanism that was overseeing them, was dismantled. I guess these won't be revived following this judgment.

By saying that all bad loans should be resolved within 180 days, failing which the account must be referred to the Insolvency and Bankruptcy Code



(IBC) court, the RBI wanted to say that when a borrower fails to pay a bank loan in time, it becomes a defaulter. It also wanted to remove the term "stressed" account from its lexicon that was often an excuse for the banks to postpone the inevitable.

Indeed, the postponement was done, in many cases, by giving fresh loans (evergreening in banking parlance) to help the borrowers service an old loan. The banks were typically reluctant to take a hit on its balance sheet; besides, many also enjoyed a cosy relationship with their borrowers.

The RBI's war against bad loans started with the so-called asset quality review, or AQR, in the second half of 2015 under which the central bank's inspectors swooped on the books of all banks and identified bad assets. The bankers were directed to come clean and provide for all bad assets by March 2017. On top of that, the central bank started forcing banks to disclose the divergence between the RBI's assessment of loan books and the banks' recognition of bad assets in the notes to accounts of their annual financial statements to depict "a true and fair view of the financial position" of each bank.

An ordinance was promulgated in 2017, amending the Banking Regulation Act, 1949, giving powers to the central bank to push the banks hard to deal with bad assets. It authorised the RBI to direct

the banks to invoke the IBC against the loan defaulters. It was necessary to demonstrate to the corporate world that the government was backing the move. Armed with this, the RBI forced banks to push 39 bad accounts into IBC in two phases in 2017 that collectively accounted for at least 40 per cent of the industry's bad assets then. And, the 12 February circular was backed by it which the Supreme Court doesn't approve of. (The 39 cases of 2017 were outside this circular and hence should not be affected.)

Indeed, the judgment will deal a blow to the RBI's war against bad loans and the cleanup drive will lose its steam but it's a temporary setback. The resolution process of these cases will get delayed and those banks that had already provided more than what they were expecting to get following resolution of cases will be disappointed as they won't be able to write back some money and add to their profits. But will they be too happy to give fresh debt to those borrowers that rush to court and stymie any move to recover money lent to them?

Does the RBI need to go back to drawing board and redraft the rules of tackling the defaulters? Not exactly. It was empowered to direct the banks to do things even before the amendment of the Act. All it probably needs is to tell individual banks to act to recover bad loans.

And, every default doesn't necessarily have to be dealt with at the insolvency court. They can be done outside and the trend is catching up.

Following the cleanup drive, the promoters are not taking their empire for granted anymore and the banks are no longer giving them kid-glove treatment. Will this judgment reverse that? I don't think so. A strong banking system is a must as otherwise India will not be able to support its growth story.

The columnist is a consulting editor with Business Standard, is an author and a senior advisor to Jana Finance Bank Ltd. Twitter: @tamalbandyay

LETTERS

A good manifesto

The contents of the Congress party's election manifesto have the potential to appeal to the voters. The kind of promises made in the manifesto underline that the election must be about real issues. Its greatest strength is that as a document, it is truthful and free of hype and hyperbole. In the Congress President Rahul Gandhi's words, nothing in the manifesto is a lie. It is aptly titled "Congress will deliver". The claim that it is the voice of the people and reflects their wishes and it has not been drafted behind closed doors seems to be valid.

The focus on job creation, high growth or wealth creation and social welfare makes the Congress party's agenda different from that of the Bharatiya Janata Party. The minimum income scheme promised in the manifesto is a game-changer for the simple reason that the impoverished multitudes are not promised anything better by any other party. When rolled out, it will jump-start the economy and erase India's image as a land of widespread poverty. The promised increase of workdays from 100 to 150 under MGNREGA bolsters the financial safety net for those at the lower strata of the society. A separate kisan budget is the best thing that can happen to the distressed farmers. The promise to change default in loan payment from a criminal offence to a civil offence will win farmers' support.

The promise of quality health care for the poor will go down well with people living at or below the poverty line. The promise to allocate 6 per cent of GDP for education, another big-ticket announcement, will be an investment in unlocking the country's immense economic potential and when implemented will be truly revolutionary. The promise to scrap the archaic and draconian seditious law pertends well for the cause of freedom. All in all, the manifesto can be rated highly for its focus on issues affecting the lives of people.

G David Milton Maruthandocde

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. All letters must have a postal address and telephone number

Setback for RBI

Central bank's role in IBC must not be curtailed

Prima facie, the Supreme Court's judgment quashing the Reserve Bank of India's (RBI's) February 12, 2018, circular, mandating banks to recognise one-day defaults and invoke the insolvency process for such defaulters, is strictly in tune with the law. The apex court held that in the light of Section 35AA of the Banking Regulation Act, the RBI could not have issued a generic circular mandating reference under the Insolvency and Bankruptcy Code (IBC). The court also held that references under the IBC have to be on case-specific basis and with authorisation of the Central government under the Act. Thankfully, the court did not go into the other issues of the IBC, which is a relief because the country needs it for the credit system to work well.

The judgment is the result of a petition by several private power producers and some textiles, sugar and shipping companies filed in August last year, after the RBI's 180-day deadline for debt resolution had lapsed, arguing that the central bank's "one-size-fits-all" approach did not account for the myriad exogenous factors that impacted their ability to repay their loans. The companies had also argued that they were negotiating with lenders for alternative resolution plans. The estimated debt impacted because of the February 12 circular was around ₹4 trillion across 70 large borrowers, of which over ₹2 trillion was in the power sector. Viewed from the vantage point of the power sector, Tuesday's ruling is valid. Power producers' problems are linked to political decision-making, over which they have no control. The principal cause of their bad debt build-up has been on account of "the huge delay and non-payment by distribution companies". Indeed, discoms, themselves, are reeling from unpaid dues from state government entities — some ₹16,000 crore, according to the latest data from the central government. This issue spirals back to state governments' predilection for vote-bank politics and their reluctance to raise power tariffs for a whole raft of consumers, from farmers to rural households.

The quashing of RBI's circular, however, means that the RBI would have little say in the IBC process, going forward. Given that all other methods of debt resolution did little, the banking regulator's watch over one of the best and most transparent ways to resolve the debt crisis must be strengthened. It also means that as of now there is no RBI-sponsored scheme to restructure stressed accounts. Though the court has said that banks will continue to have an option to refer defaulting borrowers to the IBC in case the resolution plans fail, the quashing of the circular means there is no longer any imperative for banks to complete the resolution process within a specified period. That's worrying because years of ever-greening and delay in recognising bad loans had led to a pile-up of nearly ₹10 trillion in bad loans. The fear of being taken to the bankruptcy court has proved to be necessary and sufficient for a whole lot of borrowers to ditch the old mindset that repaying large loans is the banks' problem. Since it would be wrong to kill this incipient banking discipline, the Central government and the RBI must come up with a plan that is legally tenable, unlike the February 12 circular.

Last push for tax

March GST higher than expected, direct tax collection jumps

A push on tax collection for the financial year 2018-19 at the very last moment appears to have closed some of the gaps between revenue projections and collections. Direct tax collection has fallen short nevertheless. Altogether, ₹11.5 trillion has been collected at last count, which is ₹50,000 crore short of the target of ₹12 trillion. That was the revised target; the original target, of ₹11.5 trillion, has apparently been met. This reflects a sharp increase in the takings during the last few days — as late as March 26, direct tax collection was only ₹10.3 trillion. Sixty per cent of that was corporate tax and the remainder personal income tax. In other words, 10 per cent of the direct tax revenue was collected in the last few days. This could be considered somewhat worrying. It indicates the tax department will have pushed banks for excess collection of tax deducted from interest revenue, for example. Public sector companies and banks are particularly susceptible to such pushing from the government and the tax authorities and may well have collected more advance tax than necessary, which will then have to be refunded or adjusted in the current financial year.

If indeed there has been over-collection of taxes, which would have to be subsequently adjusted, then it is clearly bad practice. The incentive to do so is understandable. It would make it easier to meet fiscal targets in a particular year — at least on paper. However, the fiscal deficit so achieved would obviously be deceptive. It would not correctly reflect the difference between actual revenue and actual expenditure. In addition, it is a great inconvenience for business. Paying excess advance tax locks up scarce capital that businesses would need. The government should not resort to such tactics to make its books look better.

The government was concerned that the goods and services tax, or GST, would come in too far below expectations. In the end, GST collection in March 2019 was the highest for any one month in the 21 months since the new indirect tax regime was rolled out. The Union finance minister has argued this reflects an expansion in "both manufacturing and consumption". However, whether this represents a strong and sustainable take-off in the economy is not certain, since there are not that many other high-frequency indicators that support such a notion. However, this is nevertheless good news that also takes the revenue from the GST in 2018-19 up to ₹11.8 trillion. Earlier, there were concerns that the GST was going to come in ₹1 trillion short, but now it may be only ₹75,000 crore short of original expectations. Altogether, when seen together with the strong March collection of direct taxes, making the fiscal deficit target of 3.4 per cent of gross domestic product appears more likely than earlier. That said, it is clear that the fiscal position is still far less transparent than it should be, as a consequence of the possibility that there is an excess advance tax collection.

ILLUSTRATION: AJAY MOHANTY



Why elections don't impact markets

Besides the difficulty in predicting election results, there are four other reasons

What do you think will happen in the elections? This is a question that comes up in every investor meeting these days. I usually start by explaining that elections have no lasting impact on markets: One need only look at the charts that show the Sensex half a year before and after the results day for the last six elections. The markets did not change direction in any. In two, of which more famously in 2004, there was volatility on results day, but soon enough prior trends resumed. In fact, despite investor apprehensions of significant volatility around election results, four of the past six elections did not see any meaningful rise in volatility either. That elections have no lasting impact on markets is an observation, and not the result of analysis: An analytical framework can be debated for accuracy and bias, but an observation is hard to dispute.

Then bring up the unpredictability of electoral outcomes (to show that pre-results positioning on any outcome could be tricky): In prior elections, not only have opinion poll forecasts been very different from the results, the error margin has increased over time. Whereas the error margin was 10 to 20 seats in 1998 and 1999, it widened to nearly a hundred seats in 2014. Contrary to the false sense of certainty that opinion polls seem to provide, psephologists working for political parties, some of them surveying tens of thousands of potential voters every few weeks, and with serious skin in the game, generally talk of a range of seats they may win in a state. Uncomfortable as the width of these ranges may be, these are more realistic.

Outcomes after all depend not just on voter preferences, but also voter turnout. We recently discovered, for example, that in some constituencies of

Bihar, only 30 per cent of registered men turn up to vote, as against 70 per cent of registered women voters. Bihar is rapidly catching up to Kerala in outward migration to West Asian countries, explaining the drop in male turnout; better security provisions around elections explain the rise in the turnout of women. While this has not been studied yet, women are expected to be less caste-loyal when voting than men. Further, some popular leaders and parties account for a substantial share of votes in a particular constituency, even though their aggregate votes are rounding errors at the state level. Imagine a forecaster building a forecasting framework: How would one adjust for such changes?

Let us run through four key reasons why markets should be unaffected by the results of general elections.

First, since 1991, the Centre has whittled down its economic presence, and most major reforms now need to be done at the state level, which have different election cycles. Constitutionally, state governments are empowered with control of land, labour, environment, power distribution, and municipal administration: The issues that matter most to corporations. States altogether employ four times the number of personnel that the central governments do, and collectively spend nearly 90 per cent more than the Centre. Civil servants' reluctance in recent years to leave their positions in state governments and move to the centre for deputations is partly driven by the drop in the discretionary powers of the central government.

Second, differences between the ideologies of political parties in India are generally social and not economic. This is not to say there are no differences: On issues such as fiscal discipline, the National



TESSELLATUM

NEELKANTH MISHRA

India needs jobs, not dole

Universal basic income (UBI) has increasingly gained popularity in policy circles globally and it has now entered the political debate in India, with the Congress Party promising to implement some form of UBI. Coming at a time when India has made huge strides in drastically reducing extreme poverty, the championing of UBI, in a way, signals that the state is throwing in the towel on jobs. It is an implicit acknowledgement by policy-makers that the state cannot foster an economy that creates enough jobs to provide a livelihood for the vast majority of the people. Yet, the travesty is that employment generation receives a lot of platitudes and not much more. Yes, scores of new programmes are created but the funding support is modest at best. In contrast, large budgetary allocations for UBI are considered *sine qua non*. The 2019 *State of Working India Report*, published by the Centre for Sustainable Employment at Azim Premji University, proposes a job guarantee scheme for urban India and the associated fiscal support. Ultimately, welfare cannot be a substitute for robust employment generation. Entitlements breed resentment, jobs beget self-respect.

Macroeconomic policy is heavily focused on economic growth, with the implicit assumption that growth will take care of all ills, including the lack of employment opportunities. However, recent global developments and India's own experience suggest that assuming a strong link between economic growth and jobs is unwarranted. For example, the contrasting experiences of United States and Japan—in the United States, the employment-to-population ratio is still depressed, whereas in Japan, whose economy has supposedly stagnated, the ratio is at a record high — suggests that growth and jobs

do not necessarily go hand in hand. In India, the 2018 *State of Working India Report* showed that the acceleration of GDP since the 1980s has been accompanied by a slowdown in job growth. Employment generation cannot be left to the mysterious workings of the market. India needs to tackle job creation on a war footing in order to meet the aspirations of its burgeoning young population and reap the demographic dividend.

Most importantly, all job creation programmes will come to naught if they are not sufficiently funded. However, any meaningful budgetary allocation would face disapproval from economists and policy-makers concerned about fiscal sustainability, inflationary pressures, and balance-of-payments (BOP) risks. Even though conventional theories about budget deficits and government debt are being increasingly questioned in the United States and much of the developed world, in the Indian context, fiscal deficits are almost universally regarded negatively and viewed as a threat to financial and economic stability. Although some of the concerns are legitimate, history and empirical analysis show that many of the fears are either unfounded or overblown.

India's fiscal policy debates are framed by the Fiscal Responsibility and Budget Management (FRBM), 2003, and the subsequent 2016 review committee under N K Singh, even if the actual budgets routinely deviate from the targets. The framework, which is influenced by the Maastricht Treaty rules governing the eurozone, belies not only global developments over the past decade but also India's own history. India has been running large deficits since the early 1980s. There is a widespread belief that the 1991 BOP crisis was

caused by the run up in debt. However, this belief does not stand up to closer scrutiny. Moreover, in the post-1991 crisis era, central government debt, scaled to GDP, has been far higher than the FRBM target of 40 per cent and the deficit target has been met only a couple of times. Yet, nothing dreadful has happened. In fact, these years have been the best in India's post-independence era — growth has been high, poverty has come down sharply, inflation has been relatively moderate, and there have been no severe BOP pressures. If deficits and debt levels much higher than the FRBM targets have been sustained for so long, then perhaps we need to question the FRBM's notion of unsustainability.

Another factor that looms large in the minds of policy-makers is the specter of downgrades by rating agencies, especially given India's persistent current account deficit and the need to attract capital inflows to fund the deficit. To be sure, rating agencies have a significant influence on capital flows. But their influence tends to be overstated. The greatest threat to capital flows arises during periods of global financial turmoil, when solid ratings provide little cover. Specifically, markets do not appear to discriminate based on the government debt-to-GDP ratio. So, instead of letting rating agencies circumscribe fiscal policy, our policy-makers should take the lead in shifting the Overton window on the fiscal policy debate.

India does face a challenge on the BOP front, largely due to the parlous state of the global economy and the plateauing of the benefits of globalisation. Tackling the BOP problem requires crafting a comprehensive set of policies. However, India cannot afford to allow its policy to be constrained by failed dogmas about government deficits and debt.

The writer is co-head of Asia Pacific Strategy and India Strategist for Credit Suisse

The writer is managing director Jerome Levy Forecasting Center

The writer is former news journalist and the co-founder of aqast, an advertising, marketing and media website

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Decrypting the ballot



BOOK REVIEW

SREEKANT KHANDEKAR

I have been voting regularly ever since I turned 21, long before the little smear of ink became a symbol of political responsibility. Since then, as media has grown so too has political awareness. Consequently, people today are more strident than ever even if the factual basis for their opinions is often shaky.

In this politically-charged and factually-threatened environment leading up to the general elections *The Verdict* is perfectly timed. It is grounded in a startling array of facts about Indian elections.

There is every reason to be proud of

India's electoral record. Post World War II, during 1945-60, about three dozen countries gained independence. Nearly all failed with democracy. Impoverished India, which often teetered on the verge of starvation after Independence, has stayed the course. You only have to look at the countries nearby to appreciate our unique achievement.

Besides, what a gargantuan exercise an Indian Lok Sabha election is: in 2019, 895 million Indians can vote— of them 130 million for the first time, having turned 18. For perspective, if all these first-timers were a separate nation, they would be the 10th most populous in the world.

The book compels readers to question everything they know about elections. For example, the term "anti-incumbency" (coined by Dorab Sopariwalla, incidentally) is often tossed but is India really anti-incumbency country?

Answer: The period 1952-77 was a pro-incumbency era when in nine out of 10

elections the existing state government was voted back to power. Then, 1977-2002 was the anti-incumbency phase when angry voters threw out seven out of 10 governments. Since 2002, the ruling state government has been re-elected half the time, depending on performance.

The story of women's role in Indian general elections is both cheering and depressing. From a low start in 1962 (the first year for which a gender breakup is available) the percentage of women voting has shot up from 46.7 to 65.5 per cent in 2014, almost catching up with male voters. (Another oddity: More rural women use their franchise than do urban women.) Even better, the authors reckon that eight of 10 women vote independently of their men.

The depressing bit is that in spite of their assertiveness at the ballot box, the percentage of female MPs in the Lok Sabha has crawled up from five per cent in 1952 to 10 per cent now. This places

India at No 146 in terms of women's representation among 193 nations. This is downright shameful considering we've had a prime minister and 16 chief ministers who have been women.

As with the women, so too with the youth. Thanks to demographics, the average age of the voter has been declining: three out of five voters are under 40 years but three out of four MPs are older than that benchmark. This gap between voters and the people who represent them is widening: in 1952 the average age of the MP was 47 years but now that is up to 58 years.

Should we trust predictions? Messrs Roy and Sopariwalla rummage through the records of more than 800 opinion polls since 1980 to conclude that polls have got the winner right three times out of four. As the teacher might say, "Not bad but can do better." The coming elections will generate another rush. Which polls are reliable? The authors give a number of tips, the first of which is that unless the all-India sample is at least 35,000-40,000 respondents, don't bother. Also dismiss polls that don't

clearly state the methodology or the sample size.

I was captivated by *The Verdict*, though I do wish the authors had devoted some space to examining how the mind of the first-time voter has worked in the past. Also, while they have great details on the 65 per cent who vote, a chapter analysing the major reasons why the other 35 per cent do not show up would have been instructive.

Two items will excite the political buff about the 2019 elections:

■ In the 2014 Lok Sabha elections the National Democratic Alliance fetched just 38 per cent of the vote (of which the Bharatiya Janata Party got 31) to capture 62 per cent of the seats. This underlines the fragmentation of vote among parties. It takes a smaller percentage of votes to win than ever before. A ruling party could find that it is more rewarding to divide the opposition than to try and increase the number of people voting for itself.

■ A combination of two factors determines the victor: one, swing and two, the Index of Opposition Unity (IOU). A one per cent vote swing (from one party or alliance to the

competition) in the Lok Sabha can result in 15 seats changing hands.

■ Lastly, are Assembly elections good indicators of voting patterns in the general elections to follow? This is of high interest considering that the Congress won in Madhya Pradesh, Gujarat and Chhattisgarh less than four months ago. In 13 out of 14 cases the winning party in the Assembly elections does at least equally well if the Lok Sabha elections follow within 12 months. One caveat—in two of the three states the Congress margin of victory was slim.

In parting: read *The Verdict*. You will learn heaps that is new; and if nothing else it will help you appear smart at dinner conversations and pep up your social media posts.

The reviewer is a former news journalist and the co-founder of aqast, an advertising, marketing and media website

THE VERDICT: Decoding India's Elections

Prannoy Roy and Dorab R Sopariwalla
Penguin Random House, 289 pages, ₹599

Opinion

WEDNESDAY, APRIL 3, 2019

PROSPEROUS PHILANTHROPY

Amitabh Kant, CEO of NITI Aayog

Philanthropy should be combined with technology & innovation, which has the potential to make real grassroot level changes. Philanthropy will be a catalyst of growth and development in India



MONETARY STIMULATION

THE ANTICIPATED HIT TO INDIA'S GROWTH FROM GLOBAL HEADWINDS IS UNLIKELY TO BE OFFSET BY DOMESTIC DEMAND, HENCE THE NEED TO STIMULATE DOMESTIC DEMAND VIA MONETARY ACTION

MPC should step up with a 50 bps rate cut

RAJEEV MALIK

Founder and director, Macroshanti Pte Ltd, Singapore. Views are personal



POLITICAL THEATRICKS in the run-up to the upcoming general election are expected in full swing, with economic claims and counter-claims, and lollipops to voters carving out a noisy looped life of their own. Against this backdrop, there appears to be incrementally less intensive focus on this week's announcement by the monetary policy meeting (MPC)—compared with its recent meetings. The dollar-rupee swap announced by RBI to provide durable liquidity is a major shift that also diminishes the scope for additional significant action on liquidity. A 25 bps cut in the repo rate, to 6%, appears to be in the bag. However, there is a strong case that the combination of a benign inflation outlook, the anticipated downward revision to GDP growth, softening global demand, and the recently revised interest rate guidance by the FOMC strengthens the case for an outsized 50bps cut, to 5.75%.

At the last meeting in February, MPC members unanimously revised the policy stance to "neutral" from "calibrated tightening", but were split 4-2 in cutting the repo rate 25 bps to 6.25%. The lower-than-target inflation wasn't the only reason behind the outcomes of the meeting; the members also expressed concerns about India's growth outlook. Given dark clouds over global growth dynamics, these concerns warrant concrete policy steps to cushion against the likely adverse impact on India's growth. The MPC outlined in February that headline inflation would remain slightly below or at the official target of 4% over the next one year. This assessment will probably be reaffirmed this week, creating room for stronger rate action to aid growth. Indeed, the MPC should capitalise on the opportunity to frontload the available room for easing. It should cut the policy repo rate 50 bps now rather than, say, announce a cut of 25 bps now and another 25 bps reduction at the next meeting in two months.

CPI inflation jumped to a four-month

high of 2.6% in February due to costlier food items. However, headline inflation remains well below the MPC's medium-term inflation target of 4%. Food inflation is poised to move into positive territory, though the pace and magnitude of the adjustment carry considerable uncertainty. Core inflation eased slightly, but still remains elevated. Economic growth slowed to a five-quarter low of 6.6% in October-December 2018. The government's growth estimate for FY19 has been revised downwards, to a five-year low of 7% (earlier forecast: 7.2%). In the February statement, the MPC's guidance was for 7.4% in FY19, and it pegged growth in FY20 at the same level.

Domestic activity indicators offer a mixed-to-deteriorating picture with a convincing upturn in private investment still elusive and the support hitherto from consumption receding. Rural demand dynamics continue to be subdued. The upbeat signals from India's Purchasing Managers Index should be read with caution as economic growth has decelerated in recent quarters despite the survey's signals of expansion in activity; frankly, the survey results have never been a reliable leading indicator of reported GDP growth or of manufacturing activity.

The bottomline is that the MPC will likely have to revise downwards its growth outlook. The anticipated hit to India's growth from global headwinds is unlikely

to be offset by domestic demand, hence the need to stimulate domestic demand via monetary action. Would the anticipated repo rate cut be complemented with a change in stance to "easing" (or "calibrated easing")? I don't think so as it is still premature for the MPC to be convinced that the inflation trajectory offers scope for several rate cuts. It is a mistake to conclude from the current benign inflation dynamics, significantly affected by unsustainably low food inflation (which has started to reverse) and weakening economic activity that India has put the inflation genie back in the bottle, and that the 4%-target will be met consistently over the medium-term.

Still, the inflation trajectory over the next one year offers sufficient flexibility for limited easing to support growth. A neutral monetary stance isn't inconsistent with a 50 bps cut in the repo rate. The magnitude of the rate cut is decided by the assessment of the need, the urgency, and the available room to ease. It is admittedly a more aggressive step, but one that will obviate the need for a pedestrian pace of adjustment when the likely inflation path won't alter meaningfully by the time of the next MPC meeting in June. The change in the monetary stance is dictated by the MPC's confidence about the risks to the outlook and whether they allow for unidirectional and multiple rate adjustments. Frankly, it is hard to expect the MPC to be ready to signal an easing rate cycle when it

The inflation trajectory over the next one year offers sufficient flexibility for limited easing to support growth

Boost for defaulters, blow to NPA-resolution via IBC

By striking down RBI's Feb 12 circular, SC has made it more difficult for banks to recover loans from defaulters

THE SUPREME COURT'S decision to declare RBI's February 12 circular on resolving stressed assets—defaulters, in plain English—as *ultra vires* is a big blow to banks that were looking for an early resolution to bad loans. Indeed, with this Supreme Court judgment, even the ongoing Jet Airways resolution can take a hit. While RBI can file a review petition, not too many review petitions get upheld. Till this circular was issued, banks had a series of mechanisms to resolve bad loans—Corporate Debt Restructuring (CDR), S4A, etc.—but the success achieved was very poor. RBI disbanded all these schemes and said that, henceforth, just the Insolvency and Bankruptcy Code (IBC) would be used. If after even a day of default, this is not fixed, and no solution is hammered out in 180 days, the case would automatically be sent to the IBC. This was critical since, under political or other pressure, defaulters were able to find ways to get the banks to keep postponing a resolution of their debt on one account or another. With the February 12 circular, however, putting a 180-day timeline, there was a lot of pressure on defaulters; if they didn't make good their loan payments, they could lose their company. Indeed, a large part of the repayments under the IBC have taken place outside the system; several defaulters started repaying loans to ensure their firms didn't go to the IBC.

Many have argued that the IBC was a one-size-fits-all and that the Supreme Court did well to strike it down. It has also been argued that, very often, the default is not the promoters' fault, so why should he be penalised? It is also argued that it is banks that should take a decision on whether to go to IBC and not RBI. There are many problems with these arguments. For one, it is because the other solutions like CDR or S4A didn't work that the IBC route was chosen. Secondly, depending upon the political dispensation, amongst other reasons, banks could delay a resolution and keep giving more time to the defaulters; the February 12 circular took this discretion out of the hands of bankers.

It is true, as *FE* has written before, that the defaults are not always due to the fault of the promoters. In the power sector (*bit.ly/2UaMlPP*), around a fifth of the 52,000 MW of stressed power assets are gas-based ones where the plants simply don't have fuel since the government policy no longer accords the same priority to power plants when it comes to allocating scarce local natural gas. Another 10,000 MW of assets are stressed because they are based on imported coal and the price of this has shot up and the SEBs are not willing to pay for this hike despite the Central Electricity Regulatory Commission (CERC) coming up with a solution more than five years ago. Around 20,000 MW of power plants are stressed as they don't have long-term power purchase agreements (PPAs) since SEBs are simply not signing them as they don't have the money to do so. Huge SEB dues to power producers are another reason for the default. In the sugar sector, a defective government policy that forces mills to buy all the cane produced and at an exorbitant price is at the heart of the default. But similar problems will apply to all loans, and just because government policy is at fault doesn't mean banks—and through that, taxpayers—have to pay for this. India continues to suffer from years of slow investment because of the twin balance sheet crisis where both banks and corporates are financially stressed. The IBC and the February 12 circular were a way to resolve the issue, but the SC has now dealt a blow to the resolution. Banks, it is true, can still go to the IBC, but with the automatic referral gone, the power over defaulters has been whittled down.

More Congress populism

Fiscal profligacy, farm-loan waivers, judicial reservation...

THE CONGRESS PARTY'S manifesto makes for great election rhetoric, but if the proposals are rolled out, they could prove ruinous for the economy. Every proposal, starting with the Nyuntam Aay Yojana (NYAY), or increasing guaranteed employment under MGNREGA to 150 days a year, entails big expenses; the promise to waive outstanding farm loans across the country will worsen the credit culture once again and increasing 'representation at all levels of the judiciary for women, SC, ST, OBC, minorities and other under-represented sections' is fraught with danger. The party has rightly identified the vulnerable sections of the population—the poor, farmers, the sick, youth and the common man—and the poll promises are sure to resonate with all them. The ace in the pack, NYAY—₹72,000 annually for 20% of the poorest households in the country—is more generous than the ₹6,000 for farmers being doled out by the NDA, but it will cost a staggering ₹3.6 lakh crore. Unfortunately, the Congress has not clearly spelled out how it intends to get the revenues for all the welfare schemes. If the Congress intends to raise taxes—there are hints of a high tax for the rich—it should say so upfront. While the spokespersons claim they will not give up on fiscal prudence and promise a fiscal deficit of 3% by 2021, the math simply doesn't add up.

In fact, all the employment-creation schemes outlined will drive up government expenditure; four lakh vacancies in the government and judiciary are to be filled by March 2020, and 10 lakh *seva mitras* are to be recruited by gram panchayats and local urban bodies. The 10 million jobs to be created by employing people in repair and restoration of water bodies and regeneration and afforestation of wasteland—if at all this is feasible—are to be paid for by the gram sabhas and urban local bodies. There is little doubt the NDA has not been able to create as many jobs as are needed, but the Congress proposals cannot jumpstart the economy even if the multiplier effect, by some magic, works better under a Congress government. It is the private sector that needs to hire and, for that, the business environment needs to be made more friendly through easier labour laws, quicker environment clearances and clear-cut and irreversible regulations. Promising forbearance for small and micro units is all very well except that key laws that have always been a hindrance for employers—minimum wages and other labour legislation—will remain in effect.

Lowering the effective direct tax for one set of sectors, simply because they are employment-generating, is unlikely to do the trick. Also, typically, permissions are sought at the state level and so the Centre can't really do too much; and there are very few Congress-led states. Given the distress in the farm sector, it comes as no surprise the Congress has gone all out to woo farmers; it will not stop at loan waivers, it says, but will ensure farmers earn a remunerative price for crops, get access to institutionalised credit and inputs at lower costs. The obvious thought that comes to mind is "show me the money".

Facing Fake

Facebook does well to block pages for "coordinated inauthentic behaviour" in a bid to stem the misinformation tide before the polls

ON MONDAY, SOCIAL media giant Facebook announced that it had removed more than 1,000 pages on its platform from India and Pakistan in four distinct, unrelated and separate moves. Nathaniel Gleicher, Facebook's head of cybersecurity policy, stated in a blog post that more than 1,000 pages and accounts were removed due to security reasons. In one action, the company declared that it eliminated around 103 pages, groups and accounts on both Facebook and Instagram that originated in Pakistan for engaging in 'coordinated inauthentic behaviour'. Apart from this, the company also suspended 687 Facebook pages linked to individuals associated with the IT cell of the Congress and 15 pages, groups and accounts that had connections to an Indian IT firm, Silver Touch, the makers of the NaMo application for prime minister Narendra Modi, also on account of 'coordinated inauthentic behaviour'. Finally, a further 321 pages and accounts from India were deleted for breaking company rules regarding spam. The company clarified that while 'coordinated inauthentic behaviour' might include the sharing of "fake news" or factually incorrect information, this is not a necessary condition. The main identifier is an organised attempt to mislead.

Facebook's role in spreading fake news first came into prominence in the probe into the allegations of Russia influencing the American presidential elections. With the Indian parliamentary elections commencing in less than ten days, all eyes are Facebook and other social media/insta-messaging services to see how they are used to impact voter decisions. Facebook has also announced its plans to start an operations centre in Delhi, which will work with its offices at Menlo Park, Dublin and Singapore, on a 24x7 basis to monitor political content. It is also working with the Election Commission of India to monitor and regulate content on its platform as well as to implement the election body's model code of conduct. Controlling the flow of misinformation and bigotry online is a gargantuan task and will take time, effort and coordination, but Facebook has started out on the right path.

OVER THE BARREL

Post-poll priority should be environment

The future projected by reports like BP's may be the only politically feasible option. But it is clearly not a future that we wish for our children and grandchildren. Energy economics needs to be redefined

VIKRAM S MEHTA

Chairman and senior fellow, Brookings India



ENERGY WILL NOT be central to the unfolding electoral campaign. It is not a priority subject for the electorate. But once the new government is sworn in, it should be brought front and square into the policy agenda. This is because its trajectory is fundamentally antithetical to the objective of sustainable development. And because time is of the essence.

Today, every projection of India's energy future draws the same broad brush conclusion. Whether it be multilateral institutions like the IEA, multinationals like Exxon-Mobil, BP or Shell, the erstwhile Planning Commission or now the NITI Aayog, the forecast is that energy demand will move in an upward trajectory; indigenous supplies will fail to keep pace with this increase in demand; energy imports will rise in absolute and relative terms and the environment will face increasing stress. More specifically, coal will dominate, oil and gas will have significance; renewables, whilst on a rising trend, will account for a relatively inconsequential share and air pollution, depleting water tables and extremes of weather conditions will presage ecological collapse.

Take, for example, BP's most recent energy outlook published just a few weeks back. It avers that in 2040, fossil fuels (coal, oil and gas) will account for between 70-75% of India's primary energy consumption, down from approximately 90% today. Of that, Coal will account for 45% (down from the current 55%); oil 20% (down from 30% today) and natural gas at the same levels of today at around 7%. Renewables market share will increase to 15%, up from the current 3-4%. In consequence, India will import 95% of its oil requirements; 60% of its gas requirements and 30% of its coal requirements (despite the fact that it contains the 5th largest deposits of coal in the world). India will meet its Paris commitments to reduce GHG emissions by 35% in 2035 relative to 2005 but given this level of fossil fuel consumption, it will be one of the largest absolute emitters of pollutants in the world. The reasoning underpinning all

these reports are well known.

Coal is abundantly available; it is the cheapest of fuels; there are no competitive substitutes for liquids as a fuel for mobility; the costs of transitioning to renewables, whether calculated in terms of sunk costs of stranded thermal power assets or the creation of transmission and distribution infrastructure to overcome the problem of 'intermittency' (the sun does not shine all the time; nor does the wind blow with regularity), are huge and there are technological (i.e., storage, carbon sequestration) and regulatory (conservation norms, emissions standards) issues to overcome before clean energy can be brought to scale. The future projected by these reports may be based on sound logic. It may tick every economic box and it may be the only politically feasible option. But it is clearly not a future that we wish for our children and grandchildren. This logic must be challenged. Energy economics needs to be redefined.

Two decades back, the US was the largest importer of liquid fuels in the world. Global geopolitics pivoted around this reality. Policies were contrived to reduce this dependence but no one imagined that the US would ever secure self-sufficiency. Today, the US is the largest producer of liquids in the world. More extraordinary, it is now placing approximately 200,000 barrels a day of oil into the global market. This energy revolution happened because an independent entrepreneur in Texas refused to accept the straitjacket of convention. Rather than apply the technologies of hydraulic fracturing (of the rock faces) and horizontal drilling separately as was the then norm, he asked the counterfactual. What if these technologies were applied conjointly? He 'fractured' the rock faces by a blast of high pressure liquids and used the design of the horizontal wells to bring the released molecules of oil and gas to the surface, cost-effectively. His success triggered the 'shale revolution' and fundamentally altered the commercial, strategic and geopolitical landscape of the global petroleum industry.

We have to contemplate just such a 'revolutionary' change. We have to ask the

counterfactual and contemplate the counter-intuitive. "What institutional, economic, technological, financial and collaborative steps must be taken to flip the ratios between fossils and renewables in the energy basket of emergent India"? There will be no clear answer but the mental and physical processes triggered by such questions will enhance the chance of finding a pathway off the currently trodden path of fossil fuels. A few early steps must be taken by the new government to start this process.

Firstly, it must replace the lens that is currently used to look at the energy sector. This lens provides a disaggregated picture and encourages a siloed approach to energy governance. It does not facilitate a holistic overview of the linkages between the different components of energy (oil, gas, coal, renewables, nuclear, hydro, bio, non-commercial); nor between fuel usage, electricity, mobility, industry, agriculture on the one hand and ecology on the other. A 'general equilibrium' macro model is required that captures such linkages and enables decision makers to consider the systemic implications of changes in one or more of these variables.

The second is a corollary of the first, and we have to create the appropriate institutional structures of decision-making. The current structure of multiple energy ministries (petroleum, coal, renewables, power, atomic) should be collapsed into one omnibus ministry of energy and environment. This will enable integrated decision-making; it will provide a platform for collaborative public-private, constructively disruptive innovation and it will bring sustainability to the fore of policy. Finally, the government should use its newly derived mandate to legislate an "Energy and Environment Security" Act. The purpose should be to engage the public in the larger debate on how to weaken if not break the current unhealthy nexus between economic growth, energy demand and environmental degradation. It should be to elevate the objective of 'wreaking an energy discontinuity' into a national priority.

LETTERS TO THE EDITOR

Congress's manifesto

The contents of the Congress's election manifesto have the potential to appeal to the voters. The promise to change defaults in loan payments from a criminal offence to a civil offence will win farmers' support. The promise of quality healthcare for the poor will go down well with people living at or below the poverty line. The promise to allocate 6% of GDP for education, another big-ticket announcement, will be investment in unlocking the country's immense economic potential and, when implemented, will be truly revolutionary. A leaner GST of two slabs will please the traders and customers alike. The promise to scrap the archaic and draconian sedition law—a colonial relic—portends well for the cause of freedom. On Kashmir, the party's position that it is for the retention of Article 370, the reduction of troops, the review of the AFSPA, and talks with all stakeholders without preconditions is sensible and needed to redeem the situation in the Valley — G David Milton, Maruthancode

Non-political Governors

The Election Commission complained against Rajasthan Governor Kalyansingh for his political statement wherein he advocated the present PM to continue even after the forthcoming Lok Sabha polls. It is quite usual that political persons appointed as state Governors give such political statements, as has been done by present Madhya Pradesh Governor in April 2018. It is not proper to misuse the dignified post of state Governor for political waste. There have been many cases earlier where politicians, appointed as state Governors, have misused Raj-Bhawans (Governor Houses) like party headquarters dancing to the tunes of political masters at the centre — Subhash Agrawal, Delhi

Write to us at feletters@expressindia.com

WE WROTE IN OUR PREVIOUS COLUMN about how small towns in India are showing the way in keeping wet waste separate from dry waste ('Small towns drive big change', *FE*, February 27; <https://bit.ly/2WDOjCx>). This is the most critical first step for sound solid waste management. We also looked to see if some bigger towns are getting their act together in managing their solid waste. Admittedly, it is more difficult to organise community action in large towns. But wards are a good place to start. We are happy to report some encouraging news from Tamil Nadu.

The city of Vellore in Tamil Nadu, with population of 5 lakh, has been a trail-blazer in decentralised management of solid waste and sending no waste to landfill. More recently, it has earned the remarkable distinction of getting all its residents to separate their wet waste from dry waste, which makes the task of solid waste management so much easier for the Municipal Corporation. But we are getting ahead of our story.

Vellore generates 160 tonnes of solid waste per day, excluding waste from bulk generators. It all began with a PIL in the National Green Tribunal in 2015 seeking closure of the 8-acre dumpsite on a tank bund in Saduperi, a few kilometres away from Vellore. The site had been used for dumping mixed waste since 1991.

The Vellore Municipal Corporation (VMC) responded to the challenge by building 42 sheds for micro composting centres (MCCs) across its 60 wards. Each MCC (with capacity ranging from 1.5 tonnes to 5 tonnes) was provided enclosed sheds containing numerous open-brickwork sheds (5 feet deep, 5-6 feet wide and 7-10 feet long) for composting wet waste. The tanks are filled in rotation, over a starter bed of dry leaves, with one-foot layers of hand-sorted wet waste plus a layer of cow dung slurry as compost starter, and allowed to mature for 30-60 days.

Last month, one of us led a group of 10 others and drove from Bangalore to Vellore to see for ourselves how the VMC is implementing its decentralised waste management system. At an MCC, we were pleased to see fully segregated wet waste being hand-picked to remove coconut shells and other hard-to-compost items, on the one hand, and clean dry waste carefully sorted into different bins for sale, on the other.

The municipal commissioner at that time, Janaki Raveendran, with support from all elected local representatives, proactively and completely, stopped sending any waste to the dumpsite. They started doorstep collection of mixed waste in Vellore using primary collection vehicles and municipal workers to transport the waste to MCCs. These are run by self-help groups who are provided with covered space for sorting, and are paid ₹250 per day. They can collectively keep the sale proceeds of both compost and dry waste. The VMC pays for electricity and water. There is no secondary transport, no transfer stations for the garbage, and no black spots in the city, not to speak of the significant savings on transport cost.

The second major step of 100% segregation came with the enthusiastic efforts of S Sivasubramanian, who assumed charge as the municipal commissioner of the VMC on October 31, 2018. Having inherited a well-functioning system of decentralised waste management, the new commissioner was determined to achieve doorstep collection of waste, fully segregated at source, as he had done during his earlier posting in Tirunelveli. This has been achieved in Vellore in just four months. This should give thought to the many who believe it can't be done in India—it is being done admittedly in the South, but there is no reason why the North cannot follow suit.

The awareness campaign involved the municipal commissioner of Vellore and other high officials using social media by posting photos of themselves in their home kitchens with separate bins for wet and dry waste. All municipal



ILLUSTRATION: ROHINIT PHORE

**ISHER JUDGE
AHLUWALIA &
ALMITRA PATEL**



Ahluwalia is Chairperson, ICRIER, Delhi, and former Chairperson of the High-Powered Expert Committee on Urban Infrastructure and Services. Patel is Member, Supreme Court Committee on Solid Waste Management

● CITIES AT CROSSROADS

The collective challenge of managing solid waste

Metropolitan cities across India, learn from Vellore, and 19 other cities in Tamil Nadu, where no waste goes to a dumpsite, and where the collective efforts of the authorities and the community have ensured overall reduction in the volume of total solid waste

staff and waste workers down to the lowest level and all government employees were urged to keep their home wastes unmixed, before asking others to do so. Religious leaders of different communities were also approached and urged to convey to their followers the importance of keeping wet and dry wastes unmixed, and from January 2019 avoiding the use of one-time-use plastics that have been banned by the Tamil Nadu government. Groups like Lions and Rotary were roped in to spread the good word. Schools were required to get pledges signed by all the students and their parents. With the cooperation of teachers, they have reached out to 1,28,000 homes.

Such campaigns to engage with the community are successful only when the doorstep collection teams cooperate and strictly refuse taking mixed waste. After accepting the segregated waste, they should visibly transport the wet and dry waste separately to gain trust of those who have complied by not mixing the wastes at source. The pending grievances of waste collectors with respect to promotions, filling vacancies, provident fund issues and minor repairs of primary collection vehicles, etc, were resolved to ensure their buy-in for the campaign. This shows leadership in making change happen.

Micro-planning of collection vehicle routes manned by municipal staff, and tracking their punctuality and performance is also key to citizen cooperation. The benefit of this intensive burst of focus is that once success is achieved, it is relatively easy to maintain the system. Prolonged deadlines for compliance, one area at a time, do not work.

At a morning muster, sanitary officers give each waste collector a notebook containing a message from the municipal commissioner, which they have to show to each household on their beat and collect a signed pledge to not mix their wastes and not use banned plastics. This is to promote bonding with the households. After two warnings, mixed waste is temporarily accepted on payment of a fee of ₹10. Thereafter, mixed waste pick-up is strictly refused, with full backing of the superior officers of the

Admittedly, it is more difficult to organise community action in large towns. But wards are a good place to start—the Vellore model can work equally well in every ward of a metropolitan city

doorstep collectors. A follow-up visit is made the same evening to the defaulter household to find out where their uncollected waste went.

The government of Tamil Nadu has provided an enabling environment through proactive engagement of the Department of Municipal Administration. The courts have also provided strong support for decentralised waste management. Under the leadership of G Prakash, the commissioner of Municipal Administration in Tamil Nadu, 700-plus MCCs and several on-site composting centres have come up, all receiving well segregated waste. As in Vellore, so in 19 other cities, no waste goes to a dumpsite. State-wide, wet waste is collected six days a week and dry waste only on Wednesdays. Municipalities have framed by-laws to comply with the Solid Waste Management Rules, 2016. Thus, user charges starting from ₹20 per month are added every six months to property tax, with collection rates of 80-100%. Bulk generators managing their own waste are charged for collection of dry waste and for the waste they indirectly generate at local markets, eateries, etc. As a result of the plastic ban, the volume of total solid waste has come down from 160 tonnes to 131 tonnes a day.

This model can work equally well in every ward of a metro city. The collective challenge of managing solid waste in our metros requires, above all, the engagement of the community.

● METRO RAIL

Make in India, for the world

CHIDAMBARAN G IYER

The author is senior fellow, Pahle India Foundation

An ecosystem to manufacture rolling stock has been successfully established

ECONOMIC LITERATURE HAS IDENTIFIED urban centres as engines of economic growth. As an urban centre grows, so does the demand to move people and goods; in other words, economic growth increases the demand for urban mobility. India's process of urbanisation is taking place at a time when the global community is moving towards green technology and reducing carbon emissions. We not only have to provide modern mobility options to our urban population, but also manage the technology transition to these green technologies. In the past couple of decades, the policy focus for mass intra-urban mobility that has helped India in its initiatives to reduce carbon emissions has been the construction and operation of metro railway systems. This form of mobility has been so popular among central and state governments that, as of February 2019, as many as 14 urban centres in the country were in various phases of metro rail construction and operation.

Metro rail projects have huge investment outlay, which, when directed properly, can maximise the multiplier effect on economic activities. The world over, metro rail projects have been used to provide a fillip to the local industry. Given the impetus to 'Make in India', the government has the opportunity to use these projects to push manufacturing activities in the country. In this context, the recent mandatory tender conditions and standardised norms issued by the ministry of urban development are timely. Modern metro rail has a mix of both complex and advanced technology, hence, expectedly, most of the leading firms are multinational companies.

A metro rail project has numerous subsystems, one of which is rolling stock or rail coach. In our recent study, we looked at the effect of foreign investments in the metro rail rolling stock segment. Two foreign firms had set up plants to manufacture rolling stock in the country, while a third firm was in the process of setting up one. It is well-known that, in the past few decades, commodity composition of exports from India underwent consistent changes in favour of capital and skill-intensive products. Foreign firms in the metro rail segment have used this comparative advantage to export rolling stock from India. Foreign firms in India have also exported semi-finished units, thus providing an opportunity to get into their global value chains. At the same time, there has been local capacity-building; as a local firm, after a successful technical collaboration with another foreign firm, has independently won a contract to supply rolling coaches to phase 2 of Mumbai Metro. In other words, an ecosystem to manufacture rolling stock has been successfully established in the country.

Metro rail projects have huge investment outlay, which, when directed properly, can maximise the multiplier effect on economic activities

However, it has been recently that the global rolling stock industry is facing large overcapacity issues, leading to consolidation pressure. Key growth areas will be in urban transport, and that too in emerging markets. Given this situation and the slew of metro projects in India, many global firms are lining up to serve the Indian market. This can be seen from the fact that, for the recent expression of interest for providing rolling stock on lease basis for Line 5 of Delhi Metro Rail Corporation on December 12, 2017, as many as 11 applicants qualified for issue of request for proposal documents. Thus, there is huge interest in the Indian market.

Metro rail projects are typically funded by the government, domestic and foreign funding agencies, and public-private partnership. Among these three options of funding, we have generally opted for a combination of the first two. Most of the metro rail projects in the country have been co-financed by foreign funding agencies. The various ways of funding a project have implications on the amount of manufacturing in the country; as, recently, in one of the metro projects, for two lines, the foreign funding agency set a precondition that in all the systems for these two lines, technology of a particular nationality should be excluded. Given the complexity of these systems, this condition excludes most of the players from participating in the tendering process, which affects local manufacturing investments. The need of the hour is coordination between central and state governments to ensure that the funding agency that comes on-board gives a fair chance to all manufacturing companies. This will support the developing ecosystem as well as investments that have gone into the metro rail segment in the country.

MISSION SHAKTI

Genius of Indian space scientists

Did Modi help India's military, commercial and geopolitical power?

AVIRUP BOSE

Associate professor, Jindal Global Law School, Sonipat, Haryana



among the electorate that the security and the economic development of the nation is safe in the hands of the Modi government. Unlike in the case of Balakot air strikes, Modi's detractors did not ask for proof given that the technological achievement of Mission Shakti was officially confirmed by the Pentagon of the US. But we should pause before trivialising the achievements of Indian space scientists—amidst the political bickering that followed the announcement, including comments from former staff of India's defence and space research organisations that prior non-BJP governments lacked the political will to fund an anti-satellite

(ASAT) system programme—and understand what Mission Shakti stands for.

Modi's message underlined the fact that India's space power stands for peace and not as a threat to other military powers. As the only non-permanent member of the UN Security Council to be a space power, this commitment comes with important geopolitical implications.

A January 2019 US Defense Intelligence Agency (DIA) report 'Challenges to Security in Space' highlights how Chinese and Russian governments reorganised their space military capabilities in 2015, developing jamming and cyberspace capabilities, directed energy weapons, on-



orbit capabilities, and ground-based ASAT missiles as a means to reduce US and allied military effectiveness. The Vice-President of the US, Mike Pence, in a *Washington Post* op-ed referencing DIA report, lamented the US military unpreparedness in space and wrote that "while our enemies have weaponized space, we have bureaucratized it." India's non-aligned status in the space war race provides it with unique opportunities to leverage its military closeness to both the US and Russia, thereby benefiting from research and strategic collaboration. The *New York Times*, in a March 27 report, recognises India's space achievements as a "shifting balance of power in

Asia." An Asian Switzerland to a militarised space. In the terrorised geography of South Asia, this message should be music to ears of Indian citizens and the US President.

Modi's message should help Indians think of space beyond the space of the ISRO or the launch of inquisitive space probes. As Modi pointed out, our lifestyle is more dependent on space than ever. From getting directions on our hand-held devices and hailing a cab, to locating a restaurant, a lot is enabled by the Indian Regional Navigation Satellite System (IRNSS), or NAVIC, operated by the ISRO. Mission Shakti will augment NAVIC's ability to leverage Indian space power, giving our armed forces and intelligence community a strategic advantage, increasing the agility, precision and lethality of our military with lesser collateral damage. It is not surprising Mission Shakti prompted Pakistan to urge the world to slam India, while China found itself to be a 'for-peace' evangelist.

Leadership in space will also help India develop indigenous technologies to revolutionise how we communicate, travel, farm, trade and educate, creating countless jobs. Modi did not forget to remind his electorate how the benefits of India's constellation of satellites are being enjoyed by farmers, students, fishers, military forces, and why it is a moment of national pride—now that we have an ASAT system.

But India is still not there. To harness

the full military and commercial benefits of Mission Shakti, India needs to formally develop a 'space force' plan. Which government departments should bear the responsibility to develop, coordinate and implement India's national-security space programme? There must be a mechanism of strategically syncing the needs of India's defence and finance ministries with the aims and outputs of ISRO's research.

Can we take a cue from US President Donald Trump's efforts to develop a dedicated US Space Force? In February, Trump signed the Space Policy Directive-4, ordering the Pentagon to create 'Space Force' as a new branch of US military, and earlier this month US defense secretary started the process of establishing a US Space Force that will centralise the US command-and-control structure for space war fighting, besides developing and implementing strategy, doctrine, tactics, techniques and procedures for US armed forces to deter and defeat a generation of military threats in space. Both Russia and China have revamped their military bureaucracy to provide for such space prowess.

A leader inspires others to imagine beyond the capabilities of their immediate constituencies. Did Modi help Indians reimagine India's military, commercial and geopolitical power in an increasingly confrontational domain of space? Only time will tell.



The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

STOOP TO CONQUER

It is dispiriting that PM invokes Hindu-Muslim, majority-minority, in an election that was meant to talk up vikas

CAMPAIGN 2019 IS off to a nasty start. And the intemperance flows from the top. Mere days into electioneering, in a speech in Wardha, Maharashtra, on Monday, Prime Minister Narendra Modi brought the acquittals of the accused in the Samjhauta blasts case into his attack on the Congress. He dismissed and denied "Hindu terror", blamed the Congress for coining the term, and invoked the spectre of "Hindu anger", which, he suggested, was the reason why Congress president Rahul Gandhi had chosen Wayanad in Kerala, with a large non-Hindu population, as a second constituency. The PM's assertions are unbefitting of his office. For one, it is misleading to say that "Hindu terror" is a political formulation. More importantly, the PM's intervention on the Samjhauta acquittals politicises and potentially perverts an already imperilled due process in a set of cases where members of radical Hindu outfits have been accused of violence and terror. On the Samjhauta case, PM Modi ignores the court's anguish — on the record — at letting off the accused because of the NIA withholding evidence. He disregards the fact that an NIA court had earlier, in 2017, convicted three ex-RSS pracharaks in the 2007 Ajmer dargah blasts case or that the Maharashtra ATS, in 2018, under a government led by his own party, chargesheeted 12 linked to headline Hindutva groups under the anti-terror law, UAPA.

If his comments on the Samjhauta case can be read as politicisation of due process in a sensitive security matter, the PM's characterisation of Wayanad as a constituency where "the majority is in a minority" and his references to "Hindu awakening" are communally polarising. It has long been a strategy of the BJP to talk up Hindu anger and stoke Hindu fear as two sides of the same mobilisation. By promoting a sense of siege in the majority, and by inciting resentments, the party has sought to unify and consolidate a scattered and diverse community. But at the same time, the BJP's appeal has also extended beyond this contrived binary. Its political-electoral success has also been a result of its ability to sell dreams of change and of a better tomorrow to an aspiring and largely young electorate. Those dreams and expectations will now be tested against the delivery by the Modi government in the upcoming election. The PM's majority-minority talk, however, signals a BJP intent to change the subject from a potentially awkward stocktaking of the government's record and to openly play the Hindu-Muslim card to do so.

When a PM stoops to conquer, as he leads his party into the election, it is dispiriting for the entire democratic polity. It can also be taken as a cue for others who seek to cross the line, lower the discourse, like UP chief minister Yogi Adityanath, who has described the army as "Modi ji ki sena" in his own election speech, with impunity. April is the cruelest month, said the poet. This one could very well be the longest too.

HITTING THE REGULATOR

SC's striking down of RBI circular on resolution of bad loans undermines central bank at a critical moment for economy

ON TUESDAY, THE Supreme Court struck down the circular issued by the RBI on February 12, 2018, which directed banks to refer all bad loan accounts of over Rs 2,000 crore to the National Company Law Tribunal (NCLT) if they failed to come up with a resolution plan within 180 days. The Court has said that the circular was unconstitutional and that a reference under the Insolvency and Bankruptcy Code (IBC) has to be on a case-to-case basis and with the authorisation of the central government. This was in response to the challenge mounted against the RBI circular by companies in the power and other sectors arguing that the defaults were because of extraneous reasons such as lack of availability of coal and gas, and delays in payment by distributors. The court's ruling is a blow to India's banking regulator which had, over the last four years, forced domestic lenders to clean up their balance sheets, by first forcing them to recognise the true extent of their bad loans and making full provisions for them. Against their will, the RBI directed them to take over 40 large bad loan cases to the NCLT.

The latest ruling courts the danger of reversing all these gains. It also marks a dent on institutional and regulatory credibility. With all loan restructuring schemes having been disbanded as part of the simplified generic framework for resolution of stressed assets on February 12, surely the process of resolution will be further delayed, adding to the pressure on banks. Recent data points to the fact that even with a deadline of 270 days, resolution of cases under the insolvency law has stretched way beyond, thanks to gaming by promoters and some borrowers, weakening one of the most structurally important reforms in recent years. A judicial intervention now, as in the coal allocation case, will impose its own costs, including a possible weakening of regulation and leave the door open for more regulated entities to approach the courts against regulatory rulings.

The costs will have to be borne by an economy already in slowdown mode. But it is worth recalling that the fire was first lit by the government which objected to this circular, encouraging infrastructure firms to take on the regulator. That, among other things, led to the exit of Governor Urjit Patel. The Supreme Court ruling should not lead to a further diminishing of the stature of the RBI. It is a moment of reckoning.

ROMANCING THE VISUAL

Filmmaker J Mahendran crafted a new language for Tamil cinema

THE 1970S SAW a transition in Tamil cinema, which had by then acquired enormous political and economic clout but limited artistic success. The Dravidian Movement had restricted cinema to a propaganda tool and financiers only saw money in it. But for exceptions like *Unnaiyol Oruvan* and *Dikkatta Parvati*, Tamil cinema was struggling to break free of the formula built on melodrama, mythologicals, song and dance, stunts. A new crop of directors then arrived and changed the grammar of Tamil cinema. They did not reject the market for high art, but sought a middle-ground to tell the stories of ordinary people in a realistic manner. J Mahendran, the director who died aged 79 on Tuesday, was one such filmmaker, who had a deep influence on those who followed him, for instance, Mani Ratnam.

The film that made a name for Mahendran, until then a scriptwriter, was his directorial debut, *Mullum Malarum*. The 1978 film had an unusual hero and Mahendran chose an actor who was known for playing the villain. The film was a runaway hit and the villain-turned-hero went on to become Tamil cinema's unrivalled superstar. Rajinikanth turned Mahendran among his mentors and *Mullum Malarum* figures at the top of his list of favourite films. *Mullum Malarum* was followed by *Uthiripoikkaal*, which again had an unconventional hero and storyline, and *Nenjethai Killathe*. *Nenjethai Killathe*, unlike its predecessors, was set in an urban, middle-class milieu and the narrative revolved around a heroine, played by a debutant actress, Suhasini. Mahendran's later films didn't make ripples, but his preference for unusual narratives, fine characterisation and the ability to explore faultlines in human relationships, turned his oeuvre into a classroom.

Filmmakers like Mahendran and Balu Mahendra established that cinema is primarily a visual art-form, not to be overburdened by verbose scripts. Directors like Mani Ratnam, who romanced the visual over the text, had a ready audience when they started making films in the Eighties because Mahendran and others had already prepared the ground.

De-fanging the deep state



ARUN PRAKASH

Delhi must act with maturity, keep a long view, find a political solution in Kashmir, to counter Pak Army-ISI

"CARTHAGO DELENDA EST" (Carthage must be destroyed) — a phrase incessantly mouthed by Senator Cato the Elder — was the manifestation of Rome's visceral desire to wreak vengeance on its rival Carthage (in modern Tunisia), which had terrorised its lands for decades. The Third Punic War, fought with bows and arrows, resulted in the destruction of Carthage and a hundred and fifty thousand dead.

Today many in India, echoing Cato's sentiments, declare publicly apropos Pakistan: "Enough is enough, let's teach them a lesson." Given past provocations, the sentiment may be unexceptionable. However, the price of "teaching a lesson" to a nuclear-armed neighbour could run into millions of lives and trillions worth of destruction with succeeding generations paying further instalments.

India's national morale, subdued by decades of strategic inertia and timidity, has certainly received a boost during the present government's tenure. First on account of the September 2016 cross-border strikes by our Special Forces and more recently, by the IAF air-strikes inside Pakistani territory. This long-overdue show of resolve has breached a self-imposed mental barrier that had served to freeze successive governments into immobility. Daunted by Rawalpindi's threat of an early nuclear response, India withheld for years a conventional riposte to repeated Pakistani assaults via terrorist proxies.

The recent developments lend themselves to two conclusions. They have demonstrated that there is space, albeit limited, for conventional military operations under the subcontinental "nuclear overhang". They also indicate that India's promise of "massive retaliation" to nuclear first-use and their own instinct for self-preservation will prevent Pakistani generals from employing tactical nuclear weapons unless "in extremis".

Would the Indian public, then, be justified in expecting punitive retaliation for every future Pakistan-launched terrorist attack? It is here that Indian politicians need to be cautioned that the exploitation of military operations for electoral gains not only trivialises their intended impact but can also whip up war hysteria, often difficult to control. The military has been considerably unsettled by a chief minister's recent statement appropriating it for the aggrandisement of

a political party.

While the recent air operations may have shattered the taboo against active retaliation, it must be recognised that Pakistan, regardless of its culpability, will feel obliged to respond to any Indian attack on its soil. It was fortuitous that the February 2019 aerial skirmishes ended in a stalemate but had any military targets been damaged on the ground, both belligerents would have been under immense pressure to up the ante. The resultant tit-for-tat escalatory spiral could have led to unforeseeable consequences.

While the turbulence of the post-Pulwama phase in India-Pakistan relations is far from over, the compulsions of India's rancorous election campaign coupled with Pakistan's internal tensions have created an incendiary subcontinental atmosphere, which could be easily ignited by inflammatory political rhetoric.

TV-studio warriors, who demand that Pakistan be instantly brought to its knees, need to be reminded that the very first step on the escalatory ladder requires preparation for full-scale war. Perhaps they overlook the reality that the Pakistani armed forces are no pushovers. Apart from their size (sixth-largest in the world), professional competence and nuclear arsenal, they have the huge advantage of a reliable source of military hardware in steadfast "iron brother" China. The Indian military, on the other hand, has not only been starved of funds by inadequate budgets but is also deprived of hardware by a lackadaisical Ministry of Defence. The failure of indigenisation programmes has left India dependent for weaponry on six-seven nations, some of them unreliable suppliers.

While assessing the effectiveness of the recently initiated diplomatic and economic measures, and the kinetic force employed, our national security establishment, as it contemplates future courses of action vis-à-vis Pakistan, needs to reflect with seriousness on two other major factors.

First, in Pakistan, we face a security-state controlled by a Praetorian army whose nexus with its Inter-Service Intelligence (ISI) agency constitutes the all-powerful Pakistani "deep state". A revisionist Pakistan has set itself two primary aims — to wrest Kashmir from India and to retard India's economic growth and prevent its rise in the international arena. Given the balance of con-

ventional forces and the presence of nuclear weapons, it is unlikely that Pakistan will ever succeed in its first aim. To thwart the second, all India has to do is sustain its trajectory of economic growth and technological/industrial development, leaving Pakistan far astern. But this assumes the absence of a major conflict.

The oxygen which keeps the deep state alive and sustains its relevance in the Pakistani public's eye is its Goebbelsian canard about an "existential threat" from a "Hindu India", which never accepted the concept of Pakistan, created Bangladesh and now intends further dismemberment by overt and covert means. Since peace with India will deprive the deep state of its raison d'être, it has successfully sabotaged every single Indian peace overture.

In such a scenario, India must make one of two policy choices of strategic import: One, either intensify Pakistani insecurities by irredentist talk of "greater India" and balkanisation of Pakistan. Or two, cut-off the deep state's oxygen supply by conveying an assurance of Pakistan's integrity, on the condition that it behaves responsibly.

The second factor that demands the closest attention is our national posture vis-à-vis the festering Kashmir issue. For decades, we have treated it simply as a consequence of Pakistan's strategy of "bleeding India through a thousand cuts" and employed band-aid solutions. Sizeable military forces have been deployed to deal with civil unrest on the assumption that once the symptoms are tackled the ailment would go away. Absent a "Kashmir Strategy" in New Delhi, the army's sacrifices to establish peace in the Valley have been in vain because a venal political class has never risen to the occasion to restore a functional civil administration.

The situation has taken an unfortunate turn. The prolonged and vicious cycle of violence and response, orchestrated by a malign ISI, has succeeded in alienating and radicalising Kashmiri youth, placing the ball squarely in India's court. It is time to evolve a 25-year strategy to address Kashmir's problems and eliminate Pakistan from the equation by ending alienation, providing employment, restoring civil administration and bringing Kashmir into the national mainstream.

The writer is a former chief of the Indian Navy. Views expressed are personal

VOTERS OF CONSEQUENCE

Displaced Kashmiris can now cast their ballot easily, will be a political force in the Valley



REAPAN TIKOO

AROUND THREE decades ago, my family fled Kashmir. I have lived in exile in Jammu, Mumbai and London. I have been applying for my ballot from Kashmir, during elections. Never have I been able to vote, despite the provision being there since 1996, under Section 36A of J&K Representation of People's Act 1957, which provides for setting up booths outside the territorial jurisdiction of the constituency.

The process of seeking a ballot and then voting was like a black box, red tape at every step and devoid of technology automation. It was so fractured, inconvenient, cumbersome, time-consuming and officer-dependant that most of the displaced Kashmiris were never able to vote. Soon, most of us started enrolling as voters from our temporary residence-in-exile, giving up our right to vote from the Valley. Meanwhile, those who are unaware of and uninitiated into the macro view, call us names like "politically challenged" for "boycotting" voting from the Valley.

For the last three years, I have been writing to the Election Commission of India (ECI) and the Union and state governments about our ease in enrolling to vote and voting. I was

finally granted an appointment to make a presentation to the three-member Election Commission on March 15. The next day, I worked with the ECI to put the policy in place. Like any technology product, I brought the user pain-point perspective to the table, with the ECI looking at the policy framework to accommodate it. We came up with what can be done for the forthcoming Lok Sabha elections as well as the steps to be taken in the long term, the latter being a work in progress. The more process automation takes place through technology, the more transparency, ease of enrolling and voting will unfold for us.

To the credit of the chief election commissioner and the two commissioners and with the active engagement of the concerned deputy election commissioner and his team, the discussed draft was put up for approval immediately. On March 22, it was approved that the local Electoral Registration Officer (ERO), in any part of India, will accept our postal ballot form (Form 12C) and transmit it electronically to the Assistant Returning Office, Jammu. The displaced Kashmiri, after receiving the ballot, will send the vote by speed post,

whose cost is paid by the ECI. Apart from this, M-Forms for voting at 26 polling booth spread across Jammu, Udhampur and Delhi will be available. Due to the shortage of time, more booths could not be provided in other cities.

All the candidates for the Lok Sabha seats in the Valley were announced by mid-March. The above scheme got approval a week later and is getting visibility only now. Since we are seen as inconsequential to the Valley's politics due to not being able to vote there, no political party has given a ticket to a displaced Kashmiri in the current Lok Sabha election.

In a short time, 99,299 amongst us have been enrolled to vote in the Valley and enrolling all those who are still left out is a work in progress. We can now vote from our place of origin in the Valley. No political party can ignore us now.

The displaced Kashmiri voter has gone from being inconsequential to consequential. She has arrived as a political stakeholder in the Kashmir Valley.

The writer, a displaced Kashmiri, works in the field of high technology research



APRIL 3, 1979, FORTY YEARS AGO

DEALING WITH VINOBA AN ALL-PARTY DELEGATION including Union Home Minister H M Patel will call on Acharya Vinoba Bhave to persuade him not to go on fast demanding a total ban on cow slaughter throughout the country. This decision was taken at a meeting, which Prime Minister Morarji Desai had with leaders of various opposition parties, on the situation created by Bhave's decision to go on an indefinite fast for the purpose. Barring West Bengal and Kerala, all states have already enacted laws prohibiting slaughter of cows. MPs from West Bengal like Chitta Basu explained at the meeting how their government had also banned slaughter of milch

cows and useful cattle while there was no complete ban.

NO RESPITE FOR BHUTTO PREPARATIONS ARE UNDER way to execute the former Prime Minister of Pakistan, Z A Bhutto, latest by Wednesday. Pakistan President General Zia-ul-Haq seems to have rejected the clemency appeal to spare Bhutto's life. Bhutto's daughter, Benazir, and his wife, Nusrat, have been asked to see Bhutto in jail, presumably for the last meeting. Benazir said she must "muster courage and restrain my tears" when she meets her father tomorrow. Meanwhile, Bhutto was stated to have been asked by the jail author-

ities to prepare a list of all persons he would like to see. Meanwhile, Bhutto's cousin, Mumtaz Ali Bhutto, and the former commerce minister, Abdul Hafeez Pirzada, have been meeting diplomats in Islamabad to seek their support for clemency. The clemency, according to reports, is unlikely to be granted.

JP'S HEALTH REPORT "HOW IS YOUR government running?" Jayaprakash Narayan asked, when the Union Commerce Minister Mohan Dharia called on him at Jaslok Hospital. Dharia assured him, "We will try our best to fulfill your expectations." JP showed eagerness to go to Patna and Dharia told him, "you will go to Patna soon".

13 THE IDEAS PAGE

How a city cleans up

Vellore has effectively shown other cities how to engage local community, decentralise waste management



CITIES AT CROSSROADS
BY AHLUWALIA, ALMITRA PATEL

WE WROTE IN our last column, 'Small town, cleaner future' (IE, February 27) about how small towns in India are showing the way in keeping wet waste separate from dry waste. This is the most critical first step for sound solid waste management. We also looked to see if some bigger towns are getting their act together in managing their solid waste. Admittedly, it is more difficult to organise community action in large towns. But wards are a good place to start, and we are happy to report some encouraging news from Tamil Nadu.

Vellore city in Tamil Nadu, with a population of five lakh, has been a trailblazer in decentralised management of solid waste and sending no waste to landfills. More recently, it has earned the remarkable distinction of getting all its residents to separate their wet waste from dry waste, which makes the task of solid waste management so much easier for the municipal corporation.

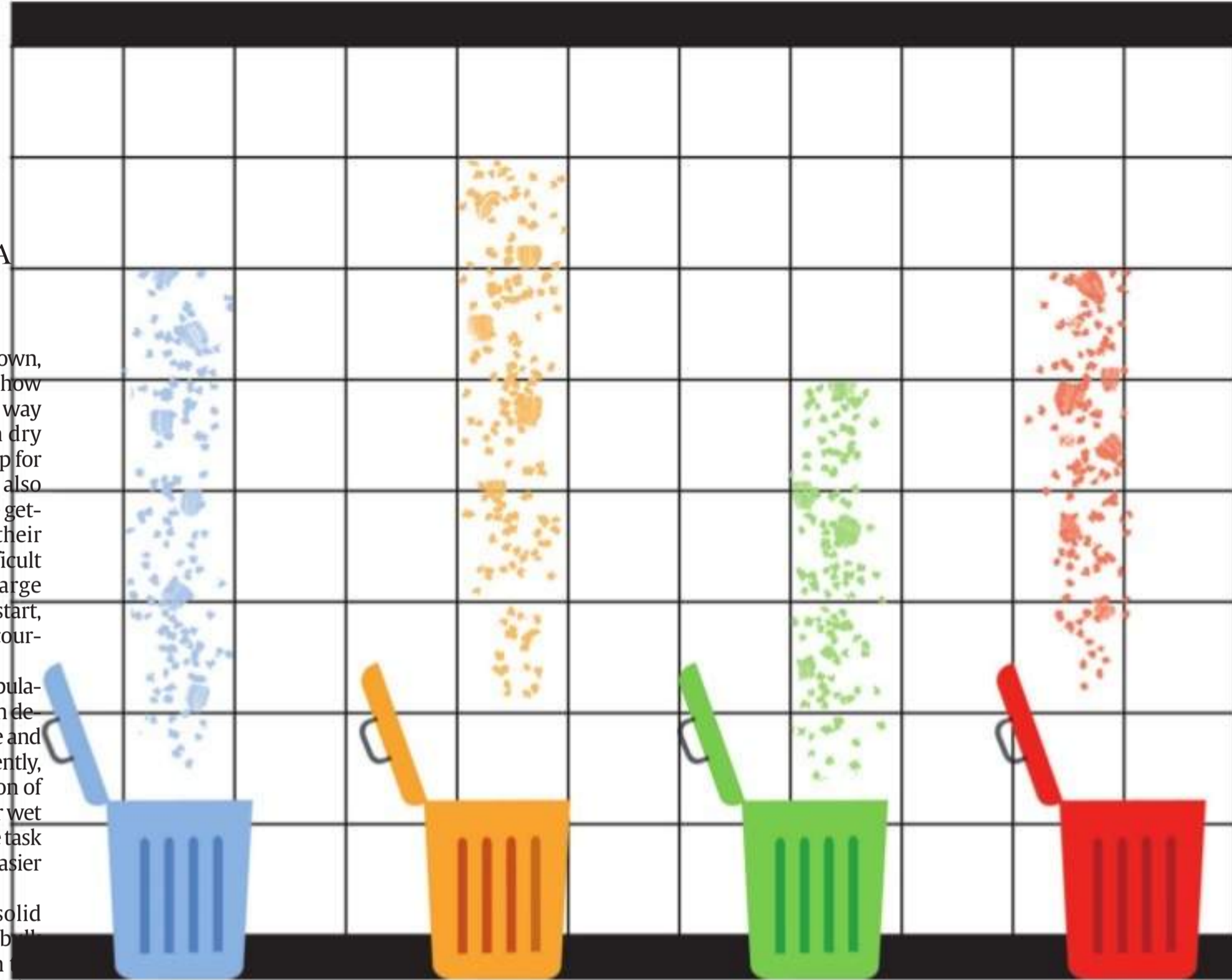
Vellore generates 160 tonnes of solid waste per day, excluding waste from bulk generators. It all began with a PIL in National Green Tribunal in 2015 seeking closure of the eight-acre dumpsite on a tank bund in Saduperi, a few kilometres away from Vellore. The site had been used for dumping mixed waste since 1991.

Vellore Municipal Corporation (VMC) responded to the challenge by building sheds for micro composting centres (MCCs) across its 60 wards. Each MCC (with a capacity ranging from 1.5 to 5 tonnes) was provided enclosed sheds containing numerous open-brickwork tanks (5 ft deep, 5-6 ft wide and 7-10 ft long) for composting wet waste. The tanks are filled in rotation, over a starbed of dry leaves, with one-foot layers of wet waste plus a layer of cow manure, and all government employees, were urged to keep their home wastes unmixed.

Last month, one of us led a group of 100 driving from Bengaluru to Vellore to see for ourselves how the VMC was implementing its decentralised waste management system. At a particular MCC, we were pleased to see fully segregated wet waste being hand-picked to remove coconut shells and other hard-to-compost items, on the one hand, and clean dry waste carefully sorted into different bins for sale, on the other.

Municipal commissioner at that time, Janaki Raveendran, with support from elected local representatives, proactively completely stopped sending any waste to the dumpsite. They started doorstep collection of mixed waste in Vellore, using primary collection vehicles and municipal workers to transport the waste to the MCCs. These are run by self-help groups who are provided with covered space for sorting, and are paid Rs 250 per day. They can collectively keep the proceeds of both the compost and the waste, and VMC pays for electricity and water. There is no secondary transport, no transfer stations for the garbage and no black spots in the city, not to speak of the significant savings made on transport cost.

The second major step of 100 per cent segregation came with the enthusiastic efforts of S Sivasubramanian who assumed the charge as municipal commissioner of VMC on October 31, 2018. Having inherited a well-functioning system of decentralised waste management, the new commissioner was determined to achieve doorstep collection of waste, fully segregated at source, as he had



CR Sasikumar

in his earlier posting in Tirunelveli. And this has been achieved in Vellore in just four months. This should give food for thought to many of those who believe it can't be done in India. It is being done — in the South, but there is no reason why the North cannot follow suit.

There was also an awareness campaign, which involved the municipal commissioner of Vellore and other high officials leveraging social media by posting photos of themselves in their home kitchens with separate bins for wet and dry waste. All municipal staff and waste workers down to the lowest level, and all government employees, were urged to keep their home wastes unmixed before asking others to do so. Religious leaders of different communities were also approached and urged to convey to their followers the importance of keeping wet and dry wastes unmixed and to avoid from January 2019 the use of one-time-use plastics which have been banned by the Tamil Nadu government. Groups like the Lions and Rotary were roped in to spread the good word. Schools were required to get pledges signed by all students and their parents.

With the cooperation of teachers, they have reached out to 1,28,000 homes. Such campaigns to engage with the community are successful only when the doorstep collection teams cooperate and strictly refuse taking mixed waste. After accepting the segregated waste, they should separately — to gain the trust of those who have complied, by not mixing the wastes at the door. The pending grievances of waste collectors with respect to promotions, filling vacancies, provident fund issues and minor transfers of primary collection vehicles, etc. were resolved to ensure their buy-in for the campaign. This shows leadership in making change happen.

Micro-planning of collection vehicle routes is manned by municipal staff, and checking their punctuality and performance, is also key to citizen cooperation. The benefit of such intense focus is that once initial success is achieved for the project, it is relatively easy to maintain the system. Prolonged deadlines for compliance, one area at a time, do not work.

Vellore city in Tamil Nadu, with a population of five lakh, has been a trailblazer in decentralised management of solid waste and sending no waste to landfills. More recently, it has earned the remarkable distinction of getting all its residents to separate their wet waste from dry waste, which makes the task of solid waste management so much easier for the municipal corporation.

At a morning muster, sanitary officers give each waste collector a notebook containing a message from the municipal commissioner, which they have to show to each household on their beat. They also need to collect a signed pledge to not mix their wastes and not use banned plastic: This is also to promote bonding with the households. After two warnings, mixed waste is temporarily accepted on payment of a fee of Rs 10. Thereafter, mixed waste pickup is strictly refused, with the full backing of the superior officers of the doorstep collectors. A follow-up visit is made the same evening to the defaulter household to find out where their uncollected waste went.

The Tamil Nadu government has provided an enabling environment through proactive engagement of the Department of Municipal Administration. The courts have also provided strong support for decentralised waste management. Under the leadership of G Prakash, commissioner of municipal administration in Tamil Nadu, 700 plus MCCs and several on-site composting centres have come up, all receiving well-segregated waste. As in Vellore, so in 19 other cities, no waste goes to a dumpsite. Statewide, wet waste is collected six days a week and dry waste only on Wednesdays. Municipalities have framed by-laws to comply with Solid Waste Management Rules, 2016. Thus, user charges starting from Rs 20 per month are added every six months to property tax, with collection rates of 80-100 per cent. Bulk generators managing their own waste are charged for collection of dry waste and for the waste they indirectly generate at local markets, eateries, etc. As a result of the plastic ban, the volume of total solid waste has come down from 160 to 131 tonnes a day.

This model can work equally well in every ward of a metro city. The collective challenge of managing solid waste in our metros requires, above all, the engagement of the community.

Ahluwalia is chairperson of Indian Council for Research on International Economic Relations (ICRIER), Patel is member, Supreme Court committee on solid waste management

WHAT THE OTHERS SAY

"The essence of the Indo-Pacific strategy is to promote China-India confrontation. India should remain vigilant against the strategy rather than making use of it."
— GLOBAL TIMES CHINA

Bonds of secrecy

Concealing the identity of donors in electoral bonds goes against a fundamental tenet of democracy — transparency



P D T ACHARY

ELECTORAL BONDS ARE attracting attention in the run-up to the general elections. These bonds were conceived in 2017 and the necessary legislative changes were made in the Finance Bill of 2017. For example, Section 31 of the Reserve Bank of India Act, 1924, was amended and a new Clause (3) was added to provide for electoral bonds. This amendment was pushed through as a money bill, whereas the Reserve Bank of India Act itself is not a money bill. This contradiction remains unresolved till today. If the parent Act is not a money bill, how can an amendment to it be treated as a money bill?

Be that as it may, the notification issued by the Department of Economic Affairs of the Ministry of Finance on January 2, 2018, gives us details of these bonds. From it, one gets a clear idea of the objective of these bonds: To conceal the identity of the donor of political funds. In India, political parties fund their election campaigns mostly through funds from corporate houses and wealthy individuals. No political party can meet the exorbitant expenses of an election with their membership fees. They need to depend on corporates, who are flush with money, and have no hesitation in generously helping political parties, particularly the ones that are their favourites. Much of these funds are actually black money. Although political parties get income tax exemptions on these donations and the donors too can claim exemption under the relevant provisions of the Income Tax Act, the bulk of these donations remain un-accounted. This means that every election in India adds to the volume of black money in the country. While politicians keep on receiving such donations, they do not forget to make promises about eradicating black money.

Electoral bonds were conceived with a view to keeping the identity of the donor secret. The bond does not carry the name of the buyer. The donor does have a genuine fear that if parties in the Opposition get to know how much he has contributed to the ruling party, he will be in trouble when the former come to power. The electoral bond scheme is informed by an appreciation of such fears. Under the scheme, the name or other details of the buyer of the bonds will not be disclosed to any authority for any purpose whatsoever. The recipient, after receiving the bonds from the donor, will deposit it in his account. Of course, the government — and the ruling party — will know who the donor is and how much money has been given to a party. If there is

a "tough" government in office, we can be sure that the parties in Opposition will get almost nothing. Thus, two objectives are achieved by introducing electoral bonds. One, the identity of the donor can be kept secret from the public, including other political parties. Two, the ruling parties will get the lion's share of the donations. There is ample evidence that these two objects have been achieved.

The details of the electoral bonds were notified by the finance ministry in January 2018. Para 7(4) of this notification points out, "Confidentiality of the information furnished by the buyer shall not be disclosed to any authority for any purpose." This notification was issued under Section 31(3) of the Reserve Bank of India Act, 1924. This Section does not give any details about the electoral bonds policy. The confidentiality of the bonds and the total prohibition of disclosure of information about the donor, to any authority for any purpose, is a matter of legislative policy. This cannot be dealt with through a notification, which is a subordinate legislation. A subordinate legislation can only deal with the details of the implementation of the policy contained in the parent Act. It is the Act which should contain the policy, not the notification issued by the executive under the Act. The Supreme Court has struck down many such orders, regulations and notifications on the ground of being ultra vires the parent Act. The January 2, 2018, notification on electoral bonds is ultra vires Section 31(3) of the Reserve Bank of India Act, 1924, and hence is illegal.

It is not open to the executive to legislate against transparency — a fundamental aspect of public policy in a democracy. A legislature can provide for the confidentiality of state secrets but not for protecting the confidentiality of the donors of political funding who are private individuals or private companies. No public interest will be served by that. In fact, it would only injure public interest.

Section 29(C) of the Representation of People Act, 1951, requires every political party to submit an annual report to the Election Commission. This report should contain the details of contributions in excess of Rs 20,000 received by the party concerned from individuals and private companies. This requirement has been done away with in the case of electoral bonds through an amendment. This amendment to Section 29(C) is against the public policy of transparency and is hence unconstitutional. The Preamble to the Right to Information Act, 2005 declares: "... Democracy requires an informed citizenry and transparency of information which are vital to its functioning." Any executive Act which takes away transparency is anti-democratic and against public interest.

The writer is a former general secretary of the Lok Sabha

LETTERS TO THE EDITOR

JITTERY CONGRESS

THIS REFERS TO the editorial, 'Wayanad signals' (IE, April 2). There could be two reasons for Rahul Gandhi's decision to fight from Wayanad in addition to Amethi. First, as suggested in the editorial, the Congress wants to expand and revive its base in South India. The other reason could be that the party and the Gandhis are feeling jittery in Amethi due to the presence of Smriti Irani. Rahul Gandhi may still win Amethi but the fact remains that the Congress's cadre base is weak and there have been negligible efforts from the party and the leadership to change that in the past five years. For the Left, Kerala is its only remaining area of influence and it would not like to cede that ground to the Congress. Their anger against the Congress's decision, therefore, is justified.

Bal Govind, Noida

POLICE REFORMS

THIS REFERS TO the article, 'Deaths of Taslim and Gufran' (IE, April 2). A slew of reports on custodial deaths in the media recently have indicted police forces across the country. The response to this must be two-fold. First, reforms like setting up CCTV cameras, provision of lawyers, intimation to family or friends need to be formalised and made part of the procedure for treating people who find themselves in police custody. Second, it is also important that every effort is made to ensure that errant officials do not go unpunished.

Anirudh Parashar, Solan

DEBATE SCIENCE

THIS REFERS TO the article, 'Political blindspot, science policy' (IE, April 2). The author has rightly emphasised the need to debate science policies, but

LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to editpage@expressindia.com or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301. Letter writers should mention their postal address and phone number.

THE WINNER RECEIVES SELECT EXPRESS PUBLICATIONS

scientists do need to be praised. It is their innovations that have resulted in India becoming self-sufficient in agriculture and in many areas of the defence sector. Political parties should not use science policies to settle short-term political scores.

Pranay Kumar Shome, Kolkata

CROCODILE TEARS

THIS TO THE article, 'A festival of rash promises' (IE, April 1). India has indeed made strides in alleviating poverty but the results have been slow to come in. After a period of gradual development, 20 per cent of the poorest of the poorest remain in distress. After ignoring the poor for decades, both the ruling party and the Opposition leaders are now shedding crocodile tears for the down-trodden and destitute.

Tapomoy Ghosh, Katwa

VIEW FROM THE RIGHT

SCIENTIFIC VOTING

AN EDITORIAL IN *Organiser* asserts that the successful testing of the Anti-Satellite (ASAT) missile is a "landmark feat of Bharat" and "scientific and technological might" but during the election season, unfortunately, the moment of national pride has also become embroiled in a battle of claiming credit. The editorial adds that "as voters should learn a lesson from the scientists which can come a guiding force for us while voting in the initial days, scientists had to fight hard to prove their mettle and significance of the search they were undertaking. In the last few years, whether in space programme or in case of defence modernisation, (the) political leadership has given a free hand to the scientists to carry out their experiments and scientific fraternity has also responded expeditiously by giving us, in most cases, more than what was expected," the editorial claims. It adds that as voters, we should also think about the future of Bharat and what is best

for the future generations while voting. "Instead of getting into rhetoric and sloganeering of yesteryears, who has the vision and constructive programme for the Bharat should be our primary consideration. Who can stand by the conviction of the masses is the key. In a democracy, not just by the people or of the people but 'for people' is (an) equally, perhaps more, important aspect," the editorial says.

HINDU TERROR

ACCUSING THE CONGRESS party of committing the "sin of conspiring against the Hindus", an editorial *Organiser* asks: "Can Rahul-Priyanka (Congress president Rahul Gandhi and general secretary Priyanka Gandhi Vadra) wash away the sin of conspiring against the Hindus by just temple-hopping their mettle and significance of the search they were undertaking. In the last few years, whether in space programme or in case of defence modernisation, (the) political leadership has given a free hand to the scientists to carry out their experiments and scientific fraternity has also responded expeditiously by giving us, in most cases, more than what was expected," the editorial claims. It adds that as voters, we should also think about the future of Bharat and what is best

to prove its Hindu credentials. It claims that "after the *janeu* of the Gandhi scion, his sister, Priyanka Gandhi-Vadra, is showcasing her temple-hopping skills on the Ganga ghats." "If we go through their game of devising non-existent concept called 'Hindu terror', it will become evident that the inheritors of the Nehru-Gandhi family are playing another game to fool people with the display of Hindu identity (sic)," the editorial contends. It adds that the UPA government, after taking coming to office in 2004, immediately removed the Prevention of Terrorism Act, 2002 (POTA). "The Mumbai serial blasts and attack through the sea route by the Pakistani terrorists, Kasab and company, were blots on the UPA. The series of blasts like Malegaon, Ajmer, Hyderabad and Samjhauta were happening every now and then. The UPA was under pressure to mend the terror policy, and suddenly the then home minister came with the 'Hindu Terror' theory which was further played by Congress again and again till 2014," the editorial says.

STRAINED ALLIANCE

ON THE RECENT meeting of Congress general secretary, Priyanka Gandhi Vadra, with Bhim Army chief, Chandrasekhar Azad, an article in *Panchjanya* claims that the meeting has not just upset BSP chief Mayawati

but has also created trouble for Samajwadi Party (SP) president Akhilesh Yadav. The BSP and SP, with the RLD, are contesting the Lok Sabha elections in Uttar Pradesh as an alliance.

The article says that after Priyanka's meeting with Chandrasekhar, Mayawati "summoned" Akhilesh and mounted pressure to field the alliance's candidates against the Congress in Rae Bareilly and Amethi. Akhilesh does not want to field candidates in these constituencies but Mayawati is adamant. "The reason is very clear: Priyanka, by meeting Chandrasekhar, wants to attract Dalit voters in western UP and that is not acceptable to Mayawati," the article claims.

It adds that the Congress is seeking a "baaisakhi" (crutch) in the Bhim Army after the BSP distanced itself from the grand old party. The article says that the BSP had created its Dalit vote bank in western UP in a similar manner. It goes on to claim that Akhilesh is "soft" towards the Congress because "the Congress is the only option for Akhilesh at the Centre. But the options for Mayawati are open. After results, Mayawati can join hands with any party. It is noteworthy that she has been chief minister of UP four times and three of her terms were with the BJP's support."

Compiled by Lalmani Verma



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If there are questions of current or contemporary relevance that you would like explained, please write to explained@expressindia.com

TELLING NUMBERS

NREGA wages in states: highs, lows & deficits from minimum



Work under NREGA in West Bengal.
Subham Dutta /Express Archive

ON TUESDAY, *The Indian Express* reported that wages being paid under NREGA have fallen below the minimum wage in most of the 35 states and Union Territories for which figures were analysed. One exception is Nagaland, which pays 17% over the Centre-notified minimum, while the NREGA wage paid by Chandigarh in 2019-20 has not been listed by NREGA Sangharsh Morcha, which has compiled these comparative figures. These take into account an annual hike of 2.16% in the minimum wage for 2019-20, which was effected by the Centre last week.

While Nagaland's NREGA wage of Rs 192/day exceeds the centrally notified minimum of Rs 115, Manipur and Meghalaya pay more than 90% of the minimum for their respective states. So do Uttar Pradesh, Kerala, Tamil Nadu, Rajasthan and Karnataka.

Uttar Pradesh, however, pays among the lowest NREGA wages at Rs 182/day (which is 95% of the notified Rs 192). In terms of actual wages paid, UP ties with Uttarakhand at fourth-lowest place. Bihar and Chhattisgarh pay the least at Rs 171 each, while Chhattisgarh pays Rs 176.

While Goa's NREGA wage represents the lowest proportion of the minimum wage (62%) for any state, its notified wage is the highest at Rs 409/day, and the wage it actually pays (Rs 254) is among the top three in the country. Among the states, only Haryana (Rs 339) and Kerala (Rs 287) pay more than Goa, which is followed by Karnataka (Rs 249) and Tamil Nadu (Rs 229). When the UTs are included, Lakshadweep (Rs 401 minimum, Rs 248 paid) comes close to Goa.

Besides Goa, other states that pay less than 70% of the notified wages are Tripura, Gujarat and Sikkim (64% each); Odisha (67%), Andhra Pradesh and Telangana (68% each); and Bihar and Uttarakhand (just under 70% each). The lowest ratio, however, is in

State/UT	Min wage	NREGA wage	Ratio
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TOP 5 BY NREGA/MIN RATIO

Nagaland	₹115	Rs 192	166.96%
Manipur	₹225	Rs 219	97.33%
Meghalaya	₹196	Rs 187	95.41%
Uttar Pradesh	₹192	Rs 182	94.79%
Kerala	₹287	Rs 271	94.43%

BOTTOM 5 BY RATIO

Goa	₹409	Rs 254	62.10%
Tripura	₹302	Rs 192	63.58%
Gujarat	₹312	Rs 199	63.78%
Sikkim	₹300	Rs 192	64.00%
Odisha	₹280	Rs 188	67.14%

TOP 5 BY NREGA WAGE

Haryana	₹339	Rs 284	83.78%
Kerala	₹287	Rs 271	94.43%
Goa	₹409	Rs 254	62.10%
Karnataka	₹269	Rs 249	92.57%
Tamil Nadu	₹243	Rs 229	94.24%

BOTTOM 5 BY NREGA WAGE

Bihar	₹246	Rs 171	69.51%
Jharkhand	₹239	Rs 171	71.55%
Chhattisgarh	₹237	Rs 176	74.26%
Utkhand	₹260.50	Rs 182	69.87%
Uttar Pradesh	₹192	Rs 182	94.79%

THE UNION TERRITORIES

Andaman & N	₹451	Rs 250	44.57%
Lakshadweep	₹401	Rs 248	61.85%
Puducherry	₹368	Rs 229	62.23%
Daman & Diu	₹294	Rs 202	68.71%
Dadra & NH	₹294	Rs 224	76.19%

Source: NREGA Sangharsh Morcha (minimum wage); Ministry of Rural Development (NREGA wage, 2019-20)

a UT — Andaman & Nicobar pays less than 45% of the minimum notified for it. Lakshadweep, Puducherry and Daman & Diu too pay below 70%.

SIMPLY PUT QUESTION & ANSWER

Why SC order on RBI note matters

The central bank's controversial 'February 12 circular' — which tightened the framework for the resolution of stressed assets — has been struck down by the Supreme Court. What had the RBI intended to do, and what impact is the court order likely to have?

SUNNY VERMA
NEW DELHI, APRIL 2

What was the Reserve Bank of India's (RBI's) so-called "February 12 circular"?

Through a notification issued on February 12, 2018, when Urjit Patel was Governor, the RBI laid down a revised framework for the resolution of stressed assets, which replaced all its earlier instructions on the subject. The circular introduced a new one-day default norm — "As soon as there is a default in the borrower entity's account with any lender, all lenders — singly or jointly — shall initiate steps to cure the default," it said.

Banks were required to immediately start working on a resolution plan for accounts over Rs 2,000 crore, which was to be finalised within 180 days. In case of non-implementation, lenders were required to file an insolvency application.

The RBI said that "in view of the enactment of the Insolvency and Bankruptcy Code, 2016 (IBC)" — under which a resolution plan is supposed to be finalised within 180 days, with a grace period of 90 days — it was necessary "to substitute the existing guidelines with a harmonised and simplified generic framework for resolution of stressed assets".

What did the "Resolution of Stressed Assets — Revised Framework" replace?

The circular went into effect on the same day that it was issued, and all existing schemes for stressed asset resolution were withdrawn with immediate effect. These included the Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets (S4A).

All these schemes allowed more lenient terms of resolution than the February 12 circular, which specifically said that the resolution process must begin from day one of the default. The circular was ostensibly intended to stop the "evergreening" of bad loans — the practice of banks providing fresh loans to enable timely repayment by borrowers on existing loans. The RBI warned banks that not adhering to the timelines laid down in the circular, or attempting to evergreen stressed accounts, would attract stringent supervisory and enforcement actions. The government had earlier asked the RBI to make sector-specific relaxations in the timeline for the implementation of the circular.

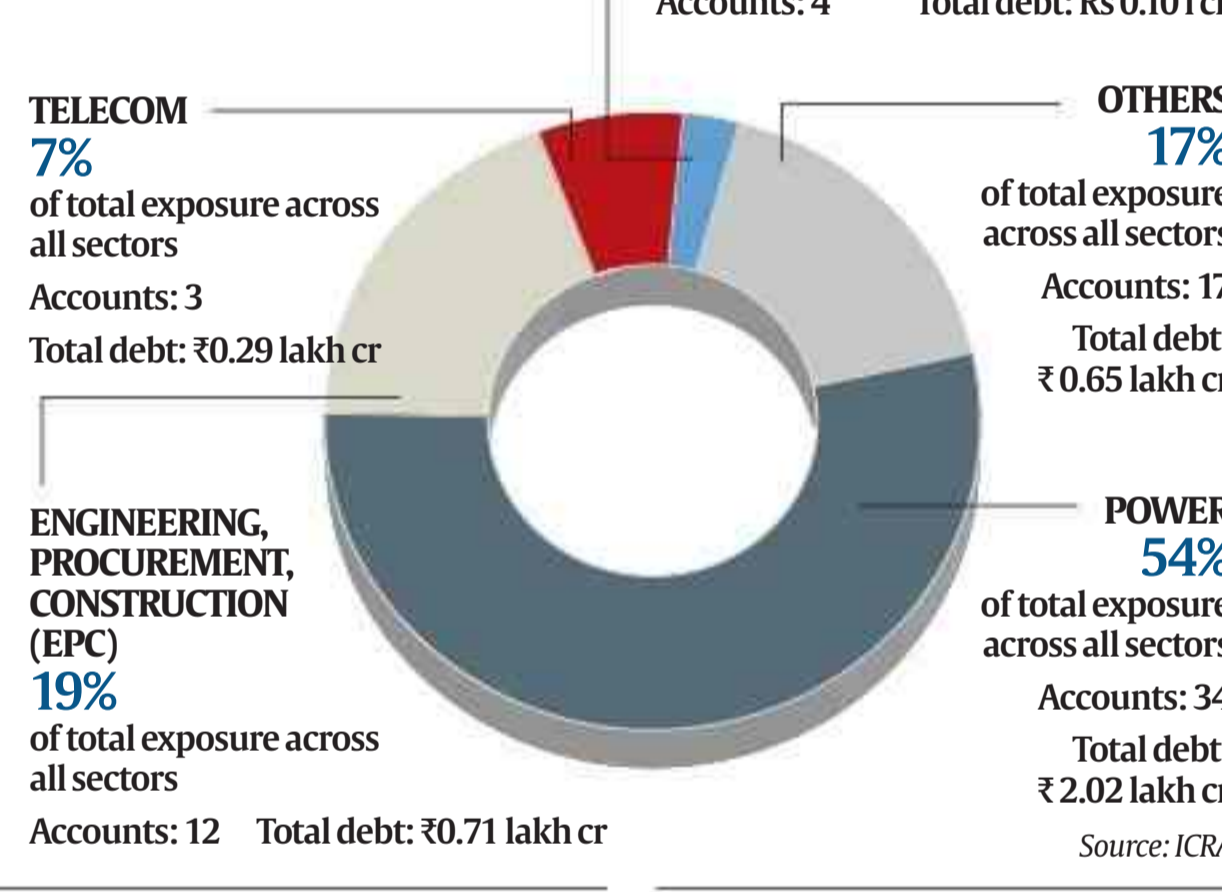
How did the matter reach the Supreme Court, and what did the court rule?

The Supreme Court Tuesday held the February 12 circular "ultra vires as a whole" — essentially meaning the RBI had gone beyond its powers — and thus "of no effect in law". Several companies from the power and shipping sectors had challenged the circular,



The circular was issued when Urjit Patel was Governor of RBI. Archive

MIX OF CASES UNDER FEB 12 CIRCULAR



arguing that the time given by the RBI was not enough to tackle bad debt. Power producers, for instance, had argued that the RBI's 'one-size-fits-all' approach was impractical since the sector was having to confront ex-

ternal factors that were beyond its control, and which made an early revival difficult for them. These factors included the unavailability of coal and gas, and problems arising out of the failure of state governments to hon-

our power purchase agreements. Power companies had moved Allahabad High Court against the RBI circular, which had refused to grant them interim relief last August. Shipping and sugar sector companies had approached other High Courts against the circular. The Supreme Court clubbed together all these petitions. The RBI argued that the circular had been issued in the public interest, with a view to ensure the timely resolution of stressed assets.

So, what impact will Tuesday's Supreme Court order have?

The order provides immediate relief to companies that have defaulted in repayments, especially those in the power, shipping and sugar sectors. However, many financial sector experts argued that the verdict could delay the process of stressed assets resolution, which had of late picked up pace. Since banks will have the choice of devising resolution plans or going to the National Company Law Tribunal under the IBC, the urgency that the RBI's rules had introduced in the system could be impacted.

"Voiding of the February 12 circular is credit negative for Indian banks. The circular had significantly tightened stressed loan recognition and resolution for large borrowers. But with the voiding, this may now have to be watered down. The resolution of stressed loans impacted by the circular will be further delayed as the process may have to be started afresh," Srikanth Vadlamani, vice-president, Financial Institutions Group, Moody's Investors Service, said.

The Indian Banks Association had sought a relaxation in the RBI's norms for infrastructure and power companies. Bankers argued on Tuesday that the quashing of the RBI circular was unlikely to impact ongoing cases at NCLT. Since banks have already provisioned for likely loan losses, that process was unlikely to be reversed, a top banker with a public sector bank said.

"The court order should not prima facie impact the cases in NCLT. I would imagine there could be an impact on the cases that are outside it. The provisioning requirement for banks do not change as it's already over a year since the February 12 circular. A lot of water has flowed under the bridge. Provisioning will keep increasing for banks for the time being, with or without the February 12 circular," the banker, who declined to be named, said.

Banks will continue to have the option of referring a defaulting borrower under the IBC, in case the resolution plan fails, Anil Gupta, vice-president & sector head, Financial Sector Ratings, ICRA, said. However, the resolution process, which was expected to be expedited, may get delayed, Gupta said.

ICRA estimates the total debt impacted by the circular at Rs 3.8 lakh crore across 70 large borrowers, including Rs 2 lakh crore across 34 borrowers was in the power sector. As of March 31, 2018, 92% of this debt had been classified as non-performing, and banks have made provisions of over 25-40% on these accounts, ICRA said.

Space debris from Indian satellite: NASA's worry, and why risk is low

AMITABH SINHA
PUNE, APRIL 2

AFTER THE US government — and the rest of the world — had responded rather quietly to India's first anti-satellite missile test last week, the head of US space agency NASA came up with the first major international criticism Monday. NASA administrator Jim Bridenstine said the debris created by the test had increased the risk to the International Space Station (ISS). While he acknowledged that this risk was comparatively small and short-lived, he added that it was a "terrible terrible thing" for countries to "create events that send debris" close enough to the International Space Station.

So, why exactly is NASA unhappy?

On March 27, India demonstrated its capability for shooting down a satellite with a missile fired from the ground, becoming only the fourth country with such a capability. The satellite, which was one of India's own, was literally left in pieces — thousands of them. On Monday, Bridenstine said NASA had identified at least 400 pieces from the wreck, and was tracking 60 that were larger than 10 cm in size. He said 24 of these 60 had got near the ISS and thus posed a potential threat of collision.

The ISS is the world's only permanent laboratory in space. It is massive, spanning a little larger than a football field, and weighing over 400 tonnes. Hanging about 400 km above Earth's surface, the ISS carries extremely costly infrastructure, with facilities to host three to four astronauts at a time. It serves as a unique platform to carry out a variety of scientific experiments in space, especially those that require zero-gravity situations, and also for testing new space systems and technologies.

What threat could small pieces pose to such massive infrastructure?

The size and weight of the pieces are secondary. What is crucial is that these pieces move at very great speeds. In the low earth orbit, where the targeted Indian satellite was located, objects typically move at almost 8 metres per second, or 28,000 kph, in order to stay in their orbits. At such speeds, even a tiny object of just about 100 grams would produce the same kind of impact on collision as a 30-kg stone travelling at about 100 kph. The debris from the destroyed Indian satellite would be typically moving at these speeds. A collision with any other satellite in space could render that satellite dysfunctional, if not destroy it.

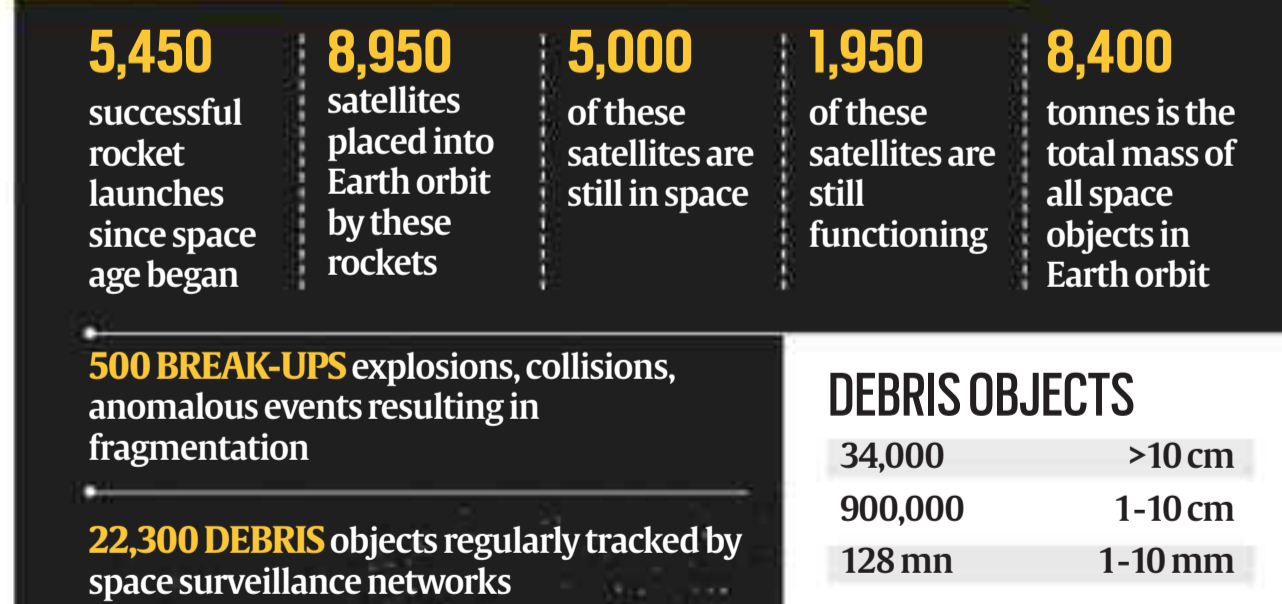
But given the debris already in space, has the ISS not been at risk anyway?

The ISS, or any other satellite for that matter, is constantly at risk from space debris. Such risk increases or decreases depending on the paths taken by the moving pieces of space debris. Specialised NASA agencies track all the significantly large pieces, over 23,000 of them, as does a similar facility at European Space Agency. These continuously evaluate the risk, and ground control stations take evasive action if necessary.

The trajectory of the ISS is screened at least three times every day. If an object is assessed to have the potential to enter a space box of size 25 km x 25 km x 4 km (height) around the ISS, it is considered a potential threat. The probability of collision is computed and, if required, the ISS is navigated away from its normal trajectory. Such navigations are called Debris Avoidance Manoeuvres or DAMs; since 1999 the ISS has undergone 25 DAMs, the last time in 2015.

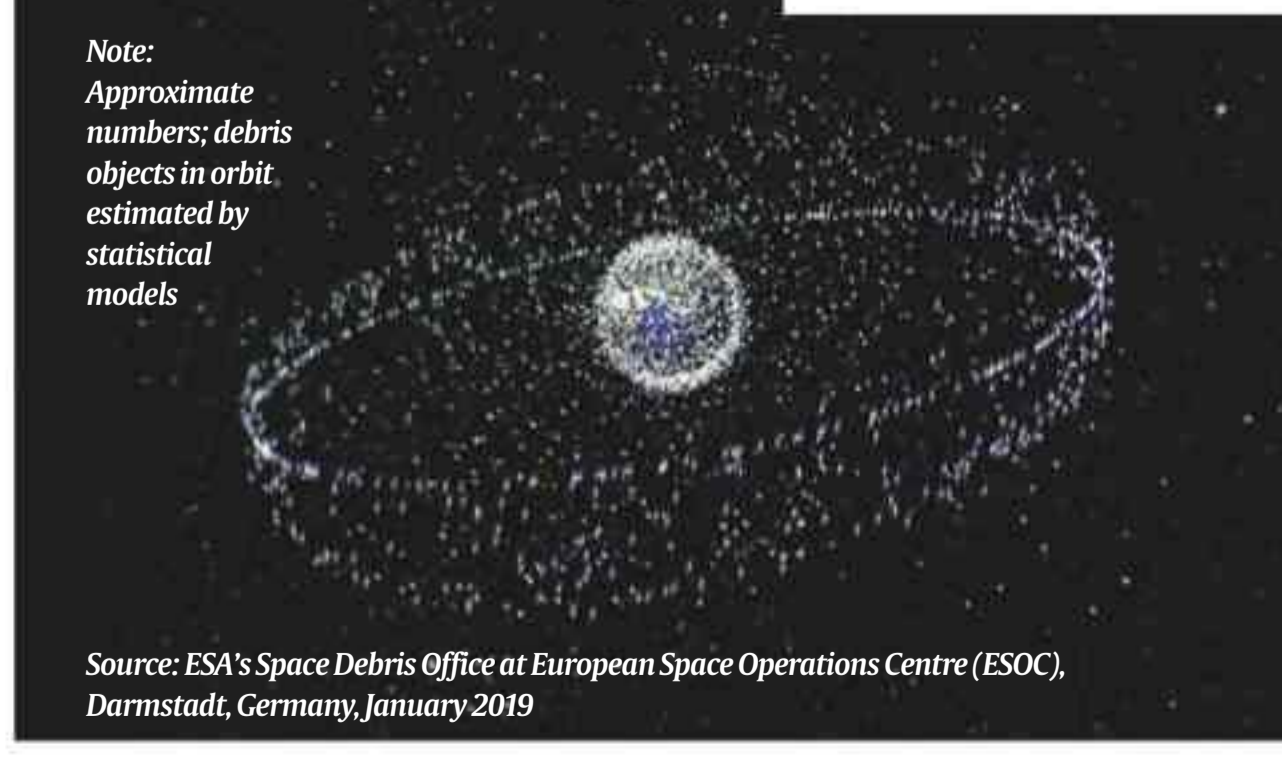
In that case, how does the debris from the Indian satellite present a special risk?

SPACE JUNK BY NUMBERS



500 BREAK-UPS explosions, collisions, anomalous events resulting in fragmentation

22,300 DEBRIS objects regularly tracked by space surveillance networks



Artist's impression of the space junk cloud around Earth based on actual density data. Debris objects shown at an exaggerated size. ESA

It does not pose any special threat to ISS. The 24 additional pieces add to the risk profile of the ISS. Significantly, however, the

days earlier, the statement appears to imply that the debris from the Indian satellite was not the only factor responsible for this increase in risk. Bridenstine also said that the probability of the ISS having to undertake a DAM because of the Indian satellite debris was "very low".

But didn't India say it had taken care to prevent the problem of debris?

India had said that since the test was carried out in low-earth orbit at just about 300 km from Earth's surface, the debris created would decay and fall back on to the earth within weeks. Low-earth orbit at about 300 km has both atmosphere and gravity, though considerably weaker. Fragments of the Indian satellite are expected to lose their velocities due to the atmospheric drag and then fall towards Earth under gravity, and likely get burnt away due to air friction.

However, immediately after a hit, it is not unexpected of some of the fragments to fly off in various directions. The satellite was in an orbit that was 283 km from Earth, while ISS is located at about 400 km. The difference between these orbital heights, however, does not alone reflect the distance between them, which is also a function of which points of their respective orbits they are in at a given time. In any case, the fragments from the Indian satellite were not expected to travel more than 50 km from the original trajectory after being hit. The NASA administrator has not said how close to the ISS the 24 pieces were located. So, it is not clear how big a risk these pose to the ISS.

What is the Indian assessment of the debris produced?

ISRO (Indian Space Research Organisation) does not have the resources or the capability to track space debris. It depends on NASA for information on debris to adjust the flight paths

of its launches and existing assets in space. NASA and European Space Agency have an elaborate network of radars and optical instruments across the globe to monitor and track the movement of space debris.

The US has itself carried out several anti-satellite tests. Didn't those contribute to the debris?

These were all carried out much before space debris became a serious concern for the major space-faring countries. In recent times, only China has carried out an anti-satellite test similar to India's, when it downed its Fengyun-1C spacecraft in 2007. That test continues to be the source for the maximum amount of debris ever created in space. It resulted in more than 1.5 lakh large and small pieces, of which 3,428 are large enough to be tracked through radars. Bridenstine mentioned that while the debris from the Indian test was expected to dissipate soon, a lot of the debris from the Chinese test continues to be in orbit.

The second biggest source of space debris was a rare collision between two spacecraft. In February 2009, the inactive Russian satellite Kosmos 2251 collided with Iridium 33, a US company's operational communications satellite. It remains the only instance of such a collision in low-earth orbit. There is no known case of a piece of debris colliding with and damaging or destroying a satellite.

How common are collisions in space?

According to the European Space Agency, there are about 34,000 objects of size 10 cm or above in space, another 90,000 of objects of sizes between 1 and 10 cm, and a further 128 million of sizes between 1 mm and 10 mm. Yet, considering the vastness of space, it is not surprising that collisions, even between pieces of debris not moving in any fixed orbit, are extremely rare.



Poll-time censorship

The gag order obtained by a Bengaluru Lok Sabha candidate defies freedom of speech

The Bengaluru civil court's blanket order restraining 49 newspapers, television channels and other media outlets from publishing anything 'defamatory' about Tejasvi Surya, the BJP's candidate for the Bengaluru South Lok Sabha constituency, is contrary to the law and the Constitution. The temporary injunction violates the basic principle in free speech law that bars 'prior restraint' or pre-censorship of any publication, including the media. As recently as in 2017, a Supreme Court Bench made it clear that pre-broadcast or pre-publication regulation of content was not in the court's domain. In *R. Rajagopal* (1994), the court noted that there is no law that authorises prior restraint. The existence of a *prima facie* case is a precondition for an interim injunction, and a restraining order may be obtained only if some material deemed defamatory has been published, and when further publication ought to be prevented. Arraying print and electronic media outlets that had not previously disseminated anything defamatory about an individual fails this test, rendering any injunctions obtained against them illegal. Judge Dinesh Hegde's order takes note of two factors in granting Mr. Surya's request for an injunction: that some allegations against him surfaced after he filed his nomination papers, and "some defamatory messages" against him "are in transit" in the media. He cites a 1986 Karnataka High Court decision, but misses the point that the High Court's justification for an injunction concerned an individual who had made public utterances about the plaintiff, and it was not an omnibus order against a class of persons. In any case, there is enough case law from the Supreme Court to bar prior restraint orders.

The allegations that have aggrieved Mr. Surya seem to originate in an individual's opinion on him on Twitter. It is possible that this piece of information was or is likely to be used against him by his electoral rivals. However, this cannot be a reason for a public figure — and a candidate of a major political party, even a debutant, is definitely one — to claim a right to gag the entire media from writing about him. Even if the argument is that the order only prevents 'defamatory' content and not responsible reporting or criticism, that doesn't justify a judicial gag order, as it may be used to prevent the media from writing anything adverse to his campaign. It may also prevent defendants in a future proceeding from using 'publication of the truth in the public interest' as a defence. Requests for omnibus restraining orders against media outlets seem to find favour with some civil judges in Karnataka. This newspaper itself faces in Karnataka around a hundred petitions for injunction filed by individuals and entities, most of them unlikely to be mentioned in its columns ever. The Karnataka High Court or the Supreme Court must examine this trend and strike down such blanket gag orders.

Turkish surprise

The ruling party's losses in local polls are a personal setback for President Erdoğan

Turkish President Recep Tayyip Erdoğan had led the campaign for Sunday's municipal elections from the front, so the reverses to his Justice and Development Party (AKP) have come as a personal jolt. The biggest blow to the Islamist party is the end of its long dominance of the capital Ankara and possibly Istanbul too. These polls were the first since Mr. Erdoğan was re-elected in June 2018, after Turkey switched to a presidential form of government authorised in a 2017 referendum. The Republican People's Party (CHP), the principal Opposition, and pro-Kurdish parties have made huge inroads. They had managed to contain the AKP's margin of victory in the June presidential and parliamentary polls. Given how much he had raised the stakes, the question is whether he will reconsider recent policies that have done little to restore investor confidence in the economy following the lira's spectacular depreciation last year. Prices of food commodities in particular have remained high. But even as farmers and traders reeled under high fuel and fertilizer costs and unfavourable weather conditions, a government hamstrung by the ballooning deficit could do no more than turn its ire on them. It accused traders of hoarding stocks and spiking costs. In addition, local governments forced retailers to hold down prices. The move put a further squeeze on the sector and hurt the government's electoral fortunes. A beleaguered Mr. Erdoğan unleashed the rhetoric of food "terrorism", but was unable to deflect attention from the need for a fiscal stimulus. Stiffer fiscal targets set by the Finance Minister, who is Mr. Erdoğan's son-in-law, have foreclosed any conventional avenues to contain the price escalation.

The travails are symptomatic of the conditions afflicting Turkey. They go back to the run on the currencies of several emerging economies, leading to the depreciation of the lira by a third. Ankara's woes turned acute following the flow of hot money and large borrowings by businesses in external currencies. Mr. Erdoğan is opposed to higher interest rates, and the government's response to halt the lira's slide and contain inflation was belated. Conversely, lending rates in Turkey now are among the world's highest, which makes lowering them quickly a risky proposition. The challenges are compounded by strained relations with its traditional allies, particularly the U.S. Washington has announced a halt to supplies related to the F-35 jets, in retaliation for Ankara's decision to buy a Russian missile defence system. The diplomatic standoff over the detention of a U.S. pastor too was a factor behind the weakening of the lira last year. As the next elections are a few years away, expectations are that Mr. Erdoğan will adopt a more pragmatic approach to address the economic challenges.

The many and different faces of terror

It is premature to read the Islamic State's defeat as the start of a more peaceful phase



M.K. NARAYANAN

Terrorism is a well-recognised form of asymmetric warfare, and has been around for centuries. Some terror strikes tend to resonate more than others, for reasons that are inexplicable. The Munich Olympics massacre in 1972, the 9/11 terror attack on the Twin Towers in New York in 2001, and the November 26, 2008 terror attack on multiple targets in Mumbai are, for instance, more deeply etched in the memories of people than many other terror events. It is important, however, not to take an episodic view of terrorism, since history is relevant to a proper understanding of the threat posed by terrorism.

Since the 1980s

Radical Islamist extremism has been the dominant terror narrative, post the 1980s. This was possibly an offshoot of the decade-long Afghan war (1979-1989), which let loose an avalanche of 'mercenaries' who had honed their skills during the Afghan Jihad, and employed violence indiscriminately. Over time, terrorist outfits seemed to gain greater transnational reach, and were no longer fettered to geographical locations. New organisations, such as al-Qaeda and its acolytes, as also the Islamic State (IS), gained prominence among a growing multitude of terror groups. Regional variants such as Abu Sayyaf in the Philippines, the Pakistan-sponsored Lashkar-e-Taiba (LeT) and Jaish-e-Mohammed (JeM) in South Asia, and the Boko Haram in Africa were no less deadly.

More recently, especially in the West, a new narrative has been un-

folding. Sporting different labels, extreme right-wing elements are proving to be no less violent and dangerous than jihadi terrorist groups. They appear, at present, less organised than many outfits, and the violence they perpetrate seems more random. Their targets, which included, for instance, a Jewish synagogue (in the U.S.), political personalities such as President Emmanuel Macron of France and Prime Minister Pedro Sánchez of Spain, members of immigrant communities and minority groups (in Europe) are, nevertheless, carefully chosen. Many do appear to be lone wolves such as the Norwegian Anders Breivik (2011) and the Australian man responsible for the March 15, 2019 Christchurch massacre, in which 50 people were killed. Non-denominational terror, loosely described as right-wing terror, has in the process become as threatening as jihadi terror. Clearly, the topographical anatomy of terrorism does not change, even if motivations differ.

The evolution of terrorism in the 21st century, and the constant shifting tactics of terror groups, does make terrorism look like an 'existential threat'. This would, however, be too far fetched. What does need to be recognised is that the terror threat is rapidly transcending from what we see happening, to what we can imagine might happen.

New breed of terrorists

Take, for instance, the year 2016 in India. Pakistani terror outfits randomly carried out daring attacks on the Pathankot Air Force base, an Army brigade headquarters in Uri, and an Army base in Nagrota. In February this year, the JeM carried out its most audacious attack to date, targeting a Central Reserve Police Force convoy, in which 40 personnel were killed, the highest casualty figure for security forces personnel in Jammu



GETTY IMAGES

and Kashmir. The use of a suicide bomber, driving a vehicle containing a few hundred kilograms of explosives to strike a high-profile target, represents a new pinnacle in terrorist violence. It is representative of the newer breed of terrorists, as also the transmutation in the nature of terror.

Globally, spectacular jihadi attacks may be fewer, but attacks are on the increase. In January this year, Abu Sayyaf in the Philippines, with links to the IS, killed 20 people attending a church service in Sulu province. In the U.K., on New Year's Eve (2018-19), three people were stabbed at a Manchester train station by an IS supporter. In March this year, explosives were found at transport hubs in and around London, and also at the University of Glasgow, leading to a major terror scare in the U.K. Also in March, the Netherlands witnessed a terror attack in Utrecht, when a jihadi suspect indiscriminately shot at commuters in a city tram.

Meanwhile, terrorists are further honing their skills, and are able to strike at targets at will. Cross-pollination of concepts and ideas among terror groups, and in many cases even pooling of resources, has made this possible. A decade of violence in Iraq and Syria has produced a reservoir of battle-hardened fighters, who are bolstering the capabilities of disparate terror groups in different parts of the world. As in the 1980s, we are seeing a majority of those who took part in the violence in Syria and Iraq currently adding to the cadres

of existing terror groups in Asia, Europe and Africa.

It would, hence, be premature to celebrate the decline of terrorism, based on the so-called demise of the IS. The territory controlled by the IS Caliphate may have shrunk dramatically compared to 2014, but its obituary cannot be written just yet. The IS remains a fount of support and inspiration for several hundreds of fighters across Asia, Africa and Europe. Many IS networks are still operating clandestinely. Many of their dispersed supporters are ready to revive their activities once the pressure relaxes. There are unconfirmed reports already that the IS has directed several of its recruits to return to their country of origin and strengthen the nucleus of IS groups there. The estimate is that anything up to 20% of those who were part of the IS bandwagon in Syria and Iraq have returned to their homelands. As the IS declines in Syria and Iraq, other IS entities such as the Islamic State of Khorasan (which includes parts of India) will be the beneficiaries.

Caliphate as an idea

The Caliphate is an idea which is still relevant. The Internet remains its main vehicle for radicalising Muslim youth. What is most likely is that the IS will make a shift to guerrilla warfare tactics. It is likely to strengthen its 'Emni' (intelligence and security branch) to carry out reconnaissance before launching attacks. The lone wolf syndrome will be pursued with renewed vigour. Already, there are some indications of this. In December 2018, a lone IS gunman killed five people in Strasbourg (France); in January 2019, a suicide bomber at a restaurant in Manbij (Syria) killed 19, including four Americans. More such attacks could occur.

Al-Qaeda, the other leading jihadi outfit, is separately engaged in enlarging its global network.

Violence by al-Qaeda affiliates might have been overshadowed by the IS more recently, but al-Qaeda affiliates in Africa, such as the Boko Haram, have not been far behind. Al-Qaeda affiliates in East and South Africa, the Sahel and Yemen are the largest and most feared terrorist groups in their regions. Al-Qaeda in the Indian Subcontinent (AQIS) is said to be exploiting alleged incidents of violence against Muslims in the subcontinent to strengthen itself.

Al-Qaeda affiliate LeT (based in Pakistan) represents the main terror threat to India, along with the JeM. The rest of Pakistan's network of terror reads like an alphabet soup, viz. HUJI (Harkat-ul-Jihad-al-Islami), the (Harkat-ul-Mujahideen) and HM (Hizbul Mujahideen). Pakistan is also reportedly training outfits to carry out underwater operations.

Developments in technology, information and doctrine will in all likelihood alter the character of 21st century terrorism. In the Pulwama attack, the suicide bomber is reported to have used a 'virtual SIM' to contact his JeM handlers in Pakistan. It is difficult at this point to determine which of the disruptive technologies will turn out to be the most dangerous.

Guided by controllers

The concept of 'enabled terror' or 'remote control terror', viz, violence conceived and guided by controllers thousands of miles away, is no longer mere fiction. Internet-enabled terrorism, and resort to remote plotting, will grow as the 21st century advances. Counter-terrorism experts will need to lay stress on multi-domain operations and information technologies, and undertake 'terror gaming' to wrestle with an uncertain future that is already upon us.

M.K. Narayanan is a former National Security Adviser and a former Governor of West Bengal

How to achieve 24x7 power for all

Three steps to help rural India overcome electricity poverty and reap immense socio-economic benefits



ABHISHEK JAIN

Almost every willing household in India now has a legitimate electricity connection. The household electrification scheme, Pradhan Mantri Sahaj Bijli Har Ghar Yojana, or Saubhagya, has been implemented at an unprecedented pace. More than 45,000 households were electrified every day over the last 18 months. Against such an achievement, it is important to ask these questions: what did it take for India to achieve this target? Why is electricity access not only about provision of connections? And, how can we ensure 24x7 power for all?

The efforts under Saubhagya have come upon decades of hard work preceding it. The enactment of the Electricity Act, in 2003, and the introduction of the Rajiv Gandhi Grameen Vidyutikaran Yojana, in 2005, expanded electrification infrastructure to most villages in the following decade. But the rollout of the Saubhagya scheme, in 2017, gave the required impetus to electrify each willing household in the country.

However, over the last year, several engineers and managing directors in electricity distribution companies (discoms), their contractors, State- and Central-level bureaucrats, and possibly energy ministers have been working at fever pitch. Discom engineers have evolved in their attitude, as we saw during our on-ground research — from one of scepticism to that of determination. Their efforts to meet targets even included crossing streams in Bihar on foot with electricity poles, and reaching far-flung areas in Manipur, through Myanmar, to electrify remote habitations with solar home systems.

Beyond connections

Despite such massive efforts, the battle against electricity poverty is far from won. The erection of electricity poles and an extension of wires do not necessarily mean uninterrupted power flow to households. By tracking more than 9,000 rural households, since 2015, across six major States (Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal), the Access to Clean Cooking Energy and Electricity Survey of States (ACCESS) report by the Council on Energy, Environment and Water (CEEW), has highlighted the gap between a connection and reliable power supply. While the median hours of supply in-



GETTY IMAGES/ISTOCKPHOTO

creased from 12 hours in 2015 to 16 hours a day in 2018, it is still far from the goal of 24x7. Similarly, while instances of low voltage and voltage surges have reduced in the last three years, about a quarter of rural households still report low voltage issues for at least five days in a month.

Vital steps forward

In order to achieve 24x7 power for all, we need to focus on three frontiers. First, India needs real-time monitoring of supply at the end-user level. We achieve what we measure. While the government is bringing all feeders in the country online, we currently have no provision to monitor supply as experienced by households. Only such granular monitoring can help track the evolving reality of electricity supply on the ground and guide discoms to act in areas with sub-optimal performance. Eventually, smart meters (that the government plans to roll out) should help enable such monitoring. Ho-

wever, in the interim, we could rely on interactive voice response systems (IVRS) and SMS-based reporting by end-users.

Second, discoms need to focus on improving the quality of supply as well as maintenance services. Adequate demand estimation and respective power procurement will go a long way in reducing load shedding. Moreover, about half the rural population across the six States reported at least two days of 24-hour-long unpredictable blackouts in a month. Such incidents are indicative of poor maintenance, as opposed to intentional load-shedding. Discoms need to identify novel cost-effective approaches to maintain infrastructure in these far-flung areas. Some States have already taken a lead in this. Odisha has outsourced infrastructure maintenance in some of its rural areas to franchisees, while Maharashtra has introduced village-level coordinators to address local-level challenges. Such context-based solutions should emerge in other States as well.

Finally, the improvement in supply should be complemented with a significant improvement in customer service, which includes billing, metering and collection. Around 27% of the electrified rural households in the six States were not paying anything for their electricity. Despite the subsidies, constant loss of revenue would make

it unviable for discoms to continue servicing these households in the long run. Low consumer density along with difficult accessibility mean that conventional approaches involving meter readers and payment collection centres will be unviable for many rural areas. We need radically innovative approaches such as the proposed prepaid smart meters and last-mile rural franchisees to improve customer service and revenue collection. Rural renewable energy enterprises could especially be interesting contenders for such franchisees, considering the social capital they already possess in parts of rural India.

Electricity is the driver for India's development. As we focus on granular monitoring, high-quality supply, better customer service and greater revenue realisation at the household level, we also need to prioritise electricity access for livelihoods and community services such as education and health care. Only such a comprehensive effort will ensure that rural India reaps the socio-economic benefits of electricity.

Abhishek Jain is Senior Programme Lead at the CEEW, a policy research think tank. ACCESS was conducted in association with the Shakti Sustainable Energy Foundation, National University of Singapore and Initiative for Sustainable Energy Policy

LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

More Benches

It is indeed a good suggestion to have Benches of the Supreme Court in other places of the country to ensure better access to justice (Editorial page, "Ensuring justice to people", April 2). To start with, it would be advisable to have at least one Bench of the Supreme Court in the south. Article 130 provides for it. In fact when this suggestion was put across to the then Chief Justice of India, who hailed from Tamil Nadu, was not encouraging. It only shows that powerful lobbies of lawyers and other interests will not allow a circuit bench of the Supreme Court because there is a lot of money in this profession in the capital, Delhi. If there is a way out of this, it has to be done by the Supreme Court itself. Unfortunately,

there are hurdles in the form of interests, making speaking in one voice difficult. It makes one wonder whether ours is really a socialist Constitution or a Constitution working on capitalist lines.

N.G.R. PRASAD,
RAM SIDHARTH,
Chennai

■ There are many underlying issues that need to be addressed if justice is to be made accessible in a better way; these issues are hefty fees charged by the lawyers to present a matter and the huge court fee, to name two. Unfortunately, lawyers are no exception when it comes to monetary issues. This is manifested in the manner in which some lawyers entrusted with state briefs handle matters. Self-realisation is the first step

towards change. The Supreme Court has an ideal opportunity to brainstorm on this. In this connection, former judges of the Supreme Court and High Courts, sitting judges and academic luminaries can be a part of the process.

SHEBA RIVY SIMON,
Melukara, Kozhicherry, Kerala

Campaign slogan

The acerbic and hostile tone and tenor of the article (OpEd page, "Chowkidars are those who protect the rich", April 2) have robbed it of even a pretence of moderation and balance. The trivialisation of the chowkidar metaphor, as a defender of the wealthy classes, seems too naive and simplistic. Should we ban chowkidars, maids and drivers merely because they serve the rich? What about the neighbourhood

watchman, whose reconnaissance at night keeps a vigil over a number of houses including those of the poor? What about the armed guards who protect the so-called VIPs? Are not these gun-wielding security personnel glorified chowkidars employed by the state and that too at the taxpayers' expense?

V.N. MUKUNDARAJAN,
Thiruvananthapuram

Waste treatment

I refer to two reports published in the daily — "Only 26% of rural toilets use twin-leach pits, finds survey" (March 18) and "Septic tanks meet norms: Ministry" (March 19). Septage treatment poses a significant challenge in rural India, where toilets with septic tanks are the most popular type. Generally, faecal sludge is dumped in open spaces

and water bodies, often surreptitiously, which is a grave health hazard. The Rural Development Organisation, an NGO that has been working in the Nilgiris since 1980, has put up three faecal sludge treatment plants. The compost from here is blended with kitchen waste compost. About two tonnes of co-compost is produced every day. The process of co-composting and testing done here, which meets FAO and BIS standards, is the first of its kind in India. This is

tested at a laboratory in Chennai every month before being distributed to farmers at a subsidised price.

Another project being done and successfully implemented in the Nilgiris is a grey water treatment plant. Here, household waste water is collected, recycled with appropriate rural technology, tested and reused in irrigation. It is of help during the dry seasons.

N.K. PERUMAL,
Arunkulam, The Nilgiris

MORE LETTERS ONLINE:
www.hindu.com/opinion/letters/

CORRECTIONS & CLARIFICATIONS:

A photograph carried in the graphic titled "Constituency Profile - Dharmapuri" (Election 2019 page, some editions, April 2, 2019) was not that of the DMK candidate Senthil Kumar.

A Sports page snippet (April 1, 2019) erroneously said that Birstow and Warner became the second set of batsmen to score centuries in an IPL innings after Kohli (109) and de Villiers (129 not out) (RCB vs Gujarat Lions) in *Rajkot* in 2016. The match was held in Bengaluru.

The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300; E-mail: readerseditor@thehindu.co.in

Is there genuine change in Algeria?

The Algerian protesters appear to have learnt the lessons of the Arab Spring



PINAK RANJAN CHAKRAVARTY

After weeks of public protests demanding that Algerian President Abdelaziz Bouteflika step down, the 82-year-old leader who has ruled for 20 years has finally announced that he will leave office. The pressure on him to quit came not only from the protesters but also from the ruling National Liberation Front (FLN)'s coalition ally as well as the country's powerful military.

The protests that have convulsed the country have been peaceful by and large. The demonstrators are mostly young and are worried about unemployment. About 70% of the Algerian population is under the age of 30 years. It seems as though Algeria has reached the Rubicon; it is a matter of time before it crosses it.

An earlier statement from Mr. Bouteflika stated that while he would not seek a fifth term in office, he would carry out "deep reforms" in various fields. The same statement announced that the presidential election, slated for April 18, would be postponed. This has led to suspicion that Mr. Bouteflika intends to find ways to keep much of his ruling elite intact. The new Prime Minister and former Interior Minister, Noureddine Bedoui, has compounded the suspicion by supporting the postponement of polls.

A charmed career

Mr. Bouteflika, like many authoritarian rulers in the Arab world, has had a charmed career. Though seen as a controversial politician in his country, many give him credit for ending the bloody civil war that killed around 200,000 Algerians in the 1990s. But like many authoritarian leaders in the Arab world, he has outlived his acceptance with the people of Algeria.

Born in the Moroccan town of Oujda, Mr. Bouteflika was originally from Tlemcen in Western Algeria. When he was 19, Mr. Bouteflika joined the National Liberation Army (ALN), the fighting arm of the FLN, which was then engaged in the independence war against colonial occupation by France. He rose rapidly through the hierarchy and be-



AFP

came a trusted aide of Houari Boumediene, the ALN leader who usurped power in 1965 after Algeria achieved independence in 1962. He was the Minister for Youth, Sports and Tourism in the government of Ahmed Ben Bella. Thereafter, he became the youngest Foreign Minister in the world in 1963.

Algeria's foreign policy as an independent country was moulded by Mr. Bouteflika and was influenced primarily by the experience of the war for independence. It was, therefore, natural that Algeria was active in the decolonisation and Non-Aligned Movement. Argentinian revolutionary leader Che Guevara and South African leader Nelson Mandela received full support from Algeria in their respective struggles against military dictatorship and apartheid. Mr. Bouteflika's political career declined with charges of corruption and he went into voluntary exile from 1981 to 1987.

The civil war and after

Algeria's hydrocarbon-based economy prospered during the days of booming oil prices. The single party system that dominated Algeria gave way to political pluralism that led to the rise of the Islamic Salvation Front (FIS). The cancellation of the 1991 election by the Algerian military to pre-empt transfer of power to the FIS precipitated a 10-year bloody civil war. Mr. Bouteflika had declined to take over as President in 1994 at the height of the civil war, but in 1999, he ran for President and was elected with a huge majority. Other candidates withdrew at the last moment alleging that the election was rigged.

Mr. Bouteflika successfully ended the civil war with his 2005 Charter for Peace and National Reconciliation. High oil prices enabled Algeria to in-

vest in infrastructure and improve the economy. His opponents criticised him for usurping all powers and weakening state institutions. Despite the criticism, Mr. Bouteflika survived the Arab Spring which swept away authoritarian rulers in Tunisia and Libya.

The way forward

Leading opposition figures are now working to find a road map for Algeria's political transition via a coalition called the National Coordination for Change. The current mood is coalescing around the idea of Mr. Bouteflika handing over power to a collective presidency on April 28, the last day of his presidency. Given the military's long history of interference in politics, the National Coordination for Change has also warned it not to interfere. However, the coalition seems to have no clearly identified leadership and may not be the vehicle for change that Algeria needs.

An FLN spokesperson has said that Algeria's problems can only be solved by elected representatives and not by unelected politicians and civil society activists. The army has indicated support for the protesters. The Army Chief declared that Mr. Bouteflika, who has been confined to a wheelchair since suffering a stroke, is unfit to rule. Algeria's judges have also supported the protesters and said that they will refuse to adjudicate cases against them because they have violated laws on public gatherings. The Algerian establishment appears divided and Mr. Bedoui has not found it easy to form a transition government.

With the President agreeing to step down before April 28, there is momentum building for a transition government comprising independent people who have never been in government before. So, there is no going back now. We saw this sort of upsurge in Tunisia in late 2010 and then across the Arab world. That uprising toppled several regimes. The Algerian protesters have learnt the lessons of that uprising. The Algerians do not want their protests to give any opening to Islamists and are yearning for genuine democracy. Algeria, an oil-gas rich country, appears poised to cross the Rubicon this time.

Pinak Ranjan Chakravarty served as Secretary in the Ministry of External Affairs, Government of India. He is currently a Honorary Visiting Fellow at the Delhi-based Observer Research Foundation. Views expressed are personal

The principle and procedure in Lokpal

It is disappointing that the appointment of the Lokpal was shrouded in secrecy



RAJEEV DHAVAN

The Supreme Court's ultimatum to the Centre to appoint a Lokpal within a given time frame, and the subsequent appointment of the first Lokpal in the country, is to be welcomed. After all, the fight for a Lokpal has been long-drawn-out.

A brief history

From 1963, India has been nurturing the ambition to appoint a Lokpal, a phrase coined by L.M. Singhvi. Copied from Sweden's Ombudsman and its adaptation in the U.K. in 1967, the idea was to expose 'maladministration', which British MP Richard Crossman defined as "bias, neglect, inattention, delay, incompetence, ineptitude, arbitrariness and so on". Despite affirmations to its need, no one really wanted a Lokpal in India, preferring instead the mild Vigilance Commission from 1964 to 2003. In one sense, the National Human Rights Commission and the various national commissions dealing with Scheduled Castes, Scheduled Tribes, women, children and even *safai karmacharis* are all special Lokpals within their areas. But nobody fears them because they are promotional and deal with individual grievances. They hurt no one and have become semi-ineffective. No one wanted a strong Lokpal because it would demand accountability from politicians and bureaucrats.

After the Emergency, a new model of Lokpal emerged, a model for 'regime revenge'. The 'maladministration' model gave way to an anti-corruption model with a sweep clause of five years. This meant that the Lokpal would re-examine Emergency and target the Indira Gandhi government. It meant that it would target politicians, but not bureaucrats. The power of the bureaucracy to stultify anti-corruption measures is well known. This model continued with regularity.

The 2011 Anna Hazare movement, which fought to get the Lokpal Bill passed, faltered in many ways. When the Modi government came to power, it did not appoint a Lokpal either. It did



PTI

not want Lokpal accusations and investigations to mar its tenure.

Directed by the Supreme Court, the Lokpal appointment process began in 2018, which was too late to scrutinise the Modi government before the 2019 general election. The government constituted an eight-member Search Committee in September 2018, headed by former Supreme Court Justice Ranjana Prakash Desai, to recommend names for the posts of Lokpal chairperson and members. The names recommended were scrutinised by a Selection Committee, comprising Prime Minister Narendra Modi; the Chief Justice of India's nominee, Justice S.A. Bobde; Speaker of the Lok Sabha Sumitra Mahajan; and eminent jurist Mukul Rohatgi. The 'special invitee', who was Congress leader Mallikarjun Kharge, refused to attend the meetings. We can see that the Prime Minister and the Lok Sabha Speaker are from the BJP. The eminent jurist was the Attorney General of India from 2014 to 2017. Only the Chief Justice's nominee is not connected to the party.

Neither transparent nor fair

Was this entire procedure transparent and fair? Unfortunately, no. When the matter was argued in the Supreme Court, advocate Prashant Bhushan asked for the names of those who had applied for the post. This suggestion was shot down during the argument. We don't know who applied to be considered as chairperson and as a member of the Lokpal. Did former Supreme Court judge, Justice Pinaki Ghose, apply even though he was a member of the National Human Rights Commission (NHRC) at the time? Who were the others? Section 4(3) of the Lokpal and Lokayuktas Act of 2013 states that the Selection Committee "may also consider any person other than the persons recommended by the Search Committee". This makes the procedure futile.

The Search Committee Rules, 2014 stated that the Selection Committee would select one of the five names recommended for the post of Chairperson of the Lokpal and eight of 24 names recommended for the post of members of the Lokpal. The Selection Committee was to lay down the criteria for appointment and decide by majority in cases of difference of opinion. The public is entitled to know the list proposed by the Search Committee. It is entitled to know who all were considered and why. That the appointment of the Lokpal is shrouded in secrecy is an affront to the very concept of the Lokpal.

Background of members

Justice Pinaki Ghose is not known for any path-breaking judgments, so it is curious why he was chosen over other retired judges, especially as he was already a member of the NHRC. No less than a sitting judge could have been offered this post. The other judicial members are Justice Pradip Kumar Mohanty, who was Chief Justice of the Jharkhand High Court; Justice Abhilasha Kumari, who served on the Gujarat High Court and was a chairperson of the Human Rights Commission of Gujarat; and Justice Ajay Kumar Tripathi, who was Chief Justice of the Chhattisgarh High Court. The first woman chief of the Sashashtra Seema Bal, Archana Ramachandran, is a non-judicial member, as are former Chief Secretary of Maharashtra D.K. Jain, former Indian Revenue Service officer Mahender Singh, and former Indian Administrative Service officer of the Gujarat cadre, I.P. Gautam. The question is, should IAS and IPS officers be appointed, especially since they have to deal with fellow officers? The field was wide open from non-government sectors as well.

Mr. Hazare was right in being overjoyed that a Lokpal has been appointed at last. And Aruna Roy and others were right in insisting on a wider jurisdiction on maladministration and delivery of services. This Lokpal will always be known as a secretly appointed one. It is supposed to be an anti-corruption institution. Much will depend on how it is used and against whom. Will we find out who is the *chor* (chief) and who is the *chowkidar* (watchman)? Or will this be another playground for politics?

Rajeev Dhavan, a senior advocate of the Supreme Court, has just published a two-volume book on the Lokpal

SINGLE FILE

The unkindest cut

Reducing funds for MGNREGS has caused disenchantment among two groups which are politically powerful

JAMES MANOR



RAMESH SHARMA

To do well in this general election, the BJP must overcome several serious obstacles of its own making. It has failed to fulfil the stirring promise of massive job creation. Demonetisation severely affected many farmers, households and enterprises. Huge numbers of vulnerable people have

been denied vital services and benefits because of Aadhaar malfunctions. Among its failures, a misjudgment that has attracted less attention is the reduction in funds for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). It has caused disenchantment among two different groups, both of which are politically powerful.

First, it has hit poor villagers who are in dire need of wages from the programme. For many, it is the difference between one meagre meal and two nutritious meals per day for their families. MGNREGS began to address the problem of malnutrition and stunting in India, which cause irreparable damage to the bodies and minds of children. Many MGNREGS workers have used their earnings to improve small plots of land or to buy livestock. This modestly but crucially enhanced their assets and autonomy.

In recent years, most of the labour on MGNREGS work sites has been done by women, who gain greater independence in their households from their earnings that reach their bank accounts. As *The Verdict*, a new book by Prannoy Roy and Dorab Sopariwala, reveals, turnout at elections by rural women has been increasing. The MGNREGS has also provided benefits to Dalits and Adivasis.

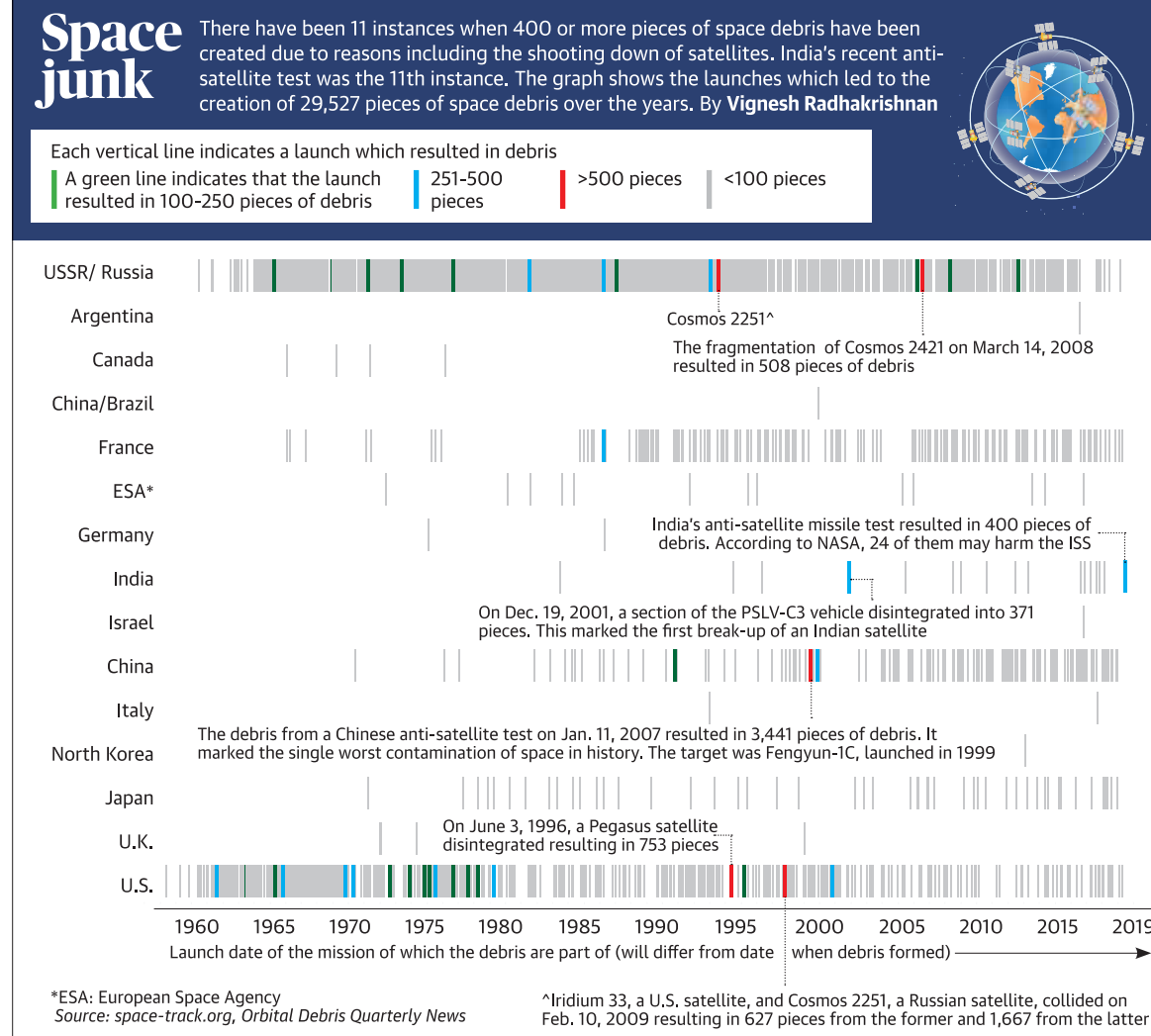
When he was Rural Development Minister, Birendra Singh opposed the constriction of funding for the Scheme because demand for employment on work sites remained strong. It has been higher in 2018-19 than in the last eight years. The government brushed his views aside. Now it seems to acknowledge the problem, but too late after three years of fewer person-days worked. The Centre has also been slow in sanctioning funds for State governments, adding to the serious decline in work opportunities.

Resentment among a second group also carries grave risks for the BJP. The funding cuts have alienated elected members of India's gram panchayats, many of whom have real political clout at the grass-roots level. By law, at least half of MGNREGS funds must go to gram panchayats, and some State governments provide as much as 90%. Five years ago, local councillors in several States proudly told this writer that they controlled as much or more money than their MLAs. The programme's shrinking budget has eroded their power. Prime Minister Narendra Modi and his party can ill afford a backlash from these people.

The writer is Emeritus Professor of Commonwealth Studies at the School of Advanced Studies, University of London



DATA POINT



FROM THE HINDU ARCHIVES

FIFTY YEARS AGO APRIL 3, 1969

Land Bill: Kerala rejects Delhi suggestions

The Revenue Minister, Mrs. K.R. Gouri said here [Trivandrum] to-day [April 2] that the Union Government had suggested modifications to the Kerala Land Reforms (Amendment) Bill, which in effect would defeat the very purpose of the legislation. Mrs. Gouri told Pressmen that the State Government would go ahead with the amendment bill now before the Select Committee, which had the approval of the Co-ordination Committee of the United Front. "We will pass the bill with such amendments as the Assembly may adopt. It is for the people to decide whether the enactment should be enforced or not." The Minister said the provisions of the amending legislation had received general approval during the earlier discussions with the Union Ministers. She feared the Union Law Ministry and the Law Minister were behind the suggestions and objections now put forward by the Union Government.

A HUNDRED YEARS AGO APRIL 3, 1919.

Passage to England.

Messrs. Mackinnon Mackenzie & Company inform us [in Bombay] that owing to the very large number of passengers proceeding by the "Ormonde" on the 8th April as much heavy baggage as possible should be sent for shipment in advance. Heavy baggage will be received at No. 6 shed, Alexandre Dock, between 10 A.M. and 4 P.M. on Saturday and Sunday the 5th and 6th instant. In this connection the earnest attention of the passengers is drawn to the arrangement whereby heavy baggage may be booked by passenger train in advance and consigned for the Station Superintendent, Victoria Terminus, or Colaba Station, Bombay, who will arrange for shipment at a charge of four annas per package to be paid at the time of despatch. Full information may be obtained from the station masters at local stations.

POLL CALL

Voter Verifiable Paper Audit Trail

A voter verifiable paper audit trail, or VVPAT, allows citizens to verify whether their votes have been recorded correctly. This is done via a machine, called the VVPAT machine, that is connected to the Electronic Voting Machine (EVM). A VVPAT machine consists of a printer unit and a status display unit. Soon after a voter casts her vote, the printer unit prints a slip of paper that verifies the voter's choice. The slip contains the party symbol and the name of the candidate for whom she cast her vote. The slip, which is visible through a glass box, is displayed to the voter for about seven seconds after which it is dropped into a compartment that collects ballot slips. Any error during voting is displayed on the status display unit. A few VVPATs are tallied to account for the accuracy of EVMs. Given glitches in VVPAT machines in recent Assembly elections, Opposition parties have called for a higher VVPAT recount.

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