

India Inc's 'Khan Market gang'

Powerful dynastic elites are reluctant to allow any outsider into their cosy club



HUMAN FACTOR

SHYAMAL MAJUMDAAR

The "Khan Market gang" is everywhere in the past few days — in newspaper headlines, social media and in everyday conversations of just about every Indian. The so-called liberati is, of course, hardly enjoying all the attention and would rather have a quiet corner where they can drown their sorrows after the stunning election victory of Narendra Modi

threatens to make the self-appointed intelligentsia almost jobless.

The ruling regime sees the gang as a minority of powerful dynastic elites who sought to control all levers of power and avenues of discourse, and were reluctant to allow any outsider into their cosy club.

A variation of this gang is present in India's family-owned businesses as well. A few members of the group have been running for cover for some time. But there are still many promoters who think they have a divine right to control their companies with little skin in the game. They think only they are the best custodians of long-term value creation in their companies. A few have allowed outside professionals to take over as chief executive officers but micromanage them to death.

Consider Jet Airways Founder and former Chairman Nareesh Goyal. Despite appointing CEOs, Goyal and his wife ran Jet as a mom-and-pop operation where nothing happened without the two of them. Goyal was

always involved in key decisions, the CEOs often had little executive power and did not survive long, making a mockery of the process. Jet has had eight CEOs in 11 years.

Goyal, for example, once announced to the media at a Paris air show that Jet would order 20 new wide-bodied aircraft and that these would be inducted into the airline's fleet over the next 18 months to fulfil his aspiration of going global. The problem was that Jet's board and its CEO got to know about the plan from the next morning's papers.

There are many Goyal clones across India's family-run companies who run their companies as a fiefdom. They pack their boards with relatives and are often control freaks. Obviously, most tend to miss the opportunities because they don't listen to others. Founders in the West sack one CEO and get another. Indian promoters sack one CEO and get into the CEO's role themselves. Most of these promoters are victims of their own beliefs and are often trapped by

them. They find it difficult to trust people with something they have nurtured.

There are also cases where difficulties for the outsider CEOs arise in the form of entrenched coterie of long-serving employees, who short-circuit any proposal that can cause a radical change in the existing structure within the group. Research has also found that quite a few promoters love to think and force others to think that they are simply indispensable. For, nothing — just nothing — gives them more pleasure than the thought that the organisation would crash after they leave. After all, there can't be any better evidence of your brilliance than the falling apart of the company after you've left. Some believe in their indispensability so much that they simply refuse to leave — even if that means repeatedly increasing the retirement age of the entire board.

No doubt, quite a few family-owned businesses have faded into oblivion since the early 1990s. A recent study by McKinsey said only 7 per cent of the

family-owned businesses in India have gone beyond the third generation.

According to a white paper brought out by global executive search firm Egon Zehnder, timing is an all-important question. The first step is for the entrepreneur to realise that a different leader is required for the future journey. Symptomatically, this is often the stage when an organisation's progress has visibly slowed down by the lack of formal structures, systems and processes.

The problem in India Inc is that promoters appoint professionals without a clarity on their role. For example, it is important to have agreement on the areas where the family will drive decision making and the areas where they will support/endorse decisions made by the professional. It is important to have a formal structure and process — something that Anand Mahindra and Harsh Mariwala have put in place. Most leave enough ambiguities in the system so that promoters can move in any time.

It's time the Khan Market gang in corporate India, too, woke up and smelled the coffee. If genuflection is the defining feature of your company's culture, real talent will hit the exit button sooner than you think.

CHINESE WHISPERS

In a fix



The Madhya Pradesh government, led by the Congress, is busy preparing its Budget for 2019-20. The process hasn't turned out to be as smooth as it was expected to be. Insiders say

the state government is tearing its hair out over organising resources to fund the farm loan waiver scheme, announced before the Assembly elections late last year. By some estimates, the government needs about ₹50,000 crore to put in motion the promised waiver. On the other hand, the Opposition is waiting with bated breath, hoping it would falter. As an observer said, "Kamal [Chief Minister Kamal Nath (pictured)] is stuck between a rock and a hard place".

Mixing cricket with politics



As Prime Minister Narendra Modi (pictured) pads up to form a new government and the ICC Cricket World Cup 2019 gets underway, Indian market players are ready to cash in on the

excitement. A domestic brokerage on Thursday came up with a list of 11 stocks, terming it the "dream team" for the World Cup. "The mood is upbeat in the Indian markets, with 'captain' PM Modi ardently padded up for his second innings. And so, we take a shot at selecting a team of world beater stocks, not only for the month-long tournament but perhaps till the next elections (read: World Cup)!" the brokerage said in a note to its clients.

Mamata versus Mamata?



The ruling party in West Bengal, Trinamool Congress, led by Chief Minister Mamata Banerjee (pictured), sat on a dharna in front of the Naihati municipality building near Kolkata to protest the post-poll violence in the state that had allegedly left several TMC workers "homeless". The Opposition in the state lapped up the opportunity to take a dig at Banerjee, saying she was leading a dharna against her own administration. Sujan Chakraborty, Communist Party of India (Marxist) member of the state Assembly, said there couldn't be anything "more funny and absurd than this". The Opposition also wondered if Banerjee would next demand the resignation of the state home minister — a post held by Banerjee herself.

An opportunity to transform economy

The clouds hanging over the global economy due to the US-China trade war and the slowing domestic economy make it imperative for the government to consider a sizeable stimulus in its first Budget



SUMANT SINHA

India has resoundingly re-elected the Narendra Modi-led National Democratic Alliance (NDA) for the next five years. Given its majority in Parliament, this will be a stable government with a clear mandate, and this provides the new government a historic opportunity to transform India's economic landscape.

Clearly, the government has to continue with all the good work it has been doing over the past five years — reforming the banking sector, sharpening the roll-out of GST and investing in building core infrastructure. In addition, the economy has run into a bit of a soft patch which needs to be addressed immediately. The automobile sector is going through a slowdown, the aviation sector is in a difficult spot, and many corporations are clearly hesitant about making further investments. This has to be dealt with expeditiously. A few key actions by the government can put us on a more sustainable economic trajectory so that more Indians are able to reap the benefits of "achhe din".

The first task is reforming the financial sector including the banking space,

Without robust banks, lending can't be revived and without credit, investments in new projects will remain subdued. The government needs to quickly and massively recapitalise public sector banks so that they are able to lend more easily. The sentiment in the NBFC space, which was hurt with the unravelling of the IL&FS issue, has to be quickly addressed, perhaps with some sort of emergency line, notwithstanding the RBI's likely reluctance in this regard. The RBI for its part, can definitely help by lowering the benchmark rate further, and also pumping more liquidity into the system similar to its two-dollar-rupee swaps. With inflation below 3 per cent, there is absolutely no reason for the repo rate to be over 6 per cent, and for corporates to be borrowing at rates in excess of 10 per cent, which implies real rates of 7 per cent. No investment can happen at this rate of borrowing. It is an absolute imperative that the cost of capital be brought down quickly.

Second, the indirect tax space saw the biggest reform since independence with the introduction of the GST. The next logical step will be to bring down the multiple tax slabs to, preferably, just one. This will not only make compliance easier, but also its enforcement. Similar is the case with the imposition of the long term capital gains tax which depresses capital markets sentiment but is not fully compensated for by an equivalent accretion in revenues.

A third important task for the government is to privatise public sector companies, including eventually the PSU banks. As the PM had said earlier, "the government has no business to be in business". While it is good thinking to improve their health before a possible

sell-off, today many are becoming a drag on the public exchequer. The government needs to sell many of these loss-making public sector units and use the money to shore up critical infrastructure like roads, power, railways, airports etc. This requires a philosophical change and it is imperative that this government takes such bold steps.

The fourth — and that brings me to a sector which is close to my heart — are the energy markets. In his previous term, Prime Minister Narendra Modi completed the commendable task of electrifying every single village in India under the Saubhagya scheme. As all households get connected and the GDP growth ratchets up, the hunger for electricity will only grow. However, this cannot be achieved unless the distribution system is reformed. Till discoms become financially viable they will not be able to pay

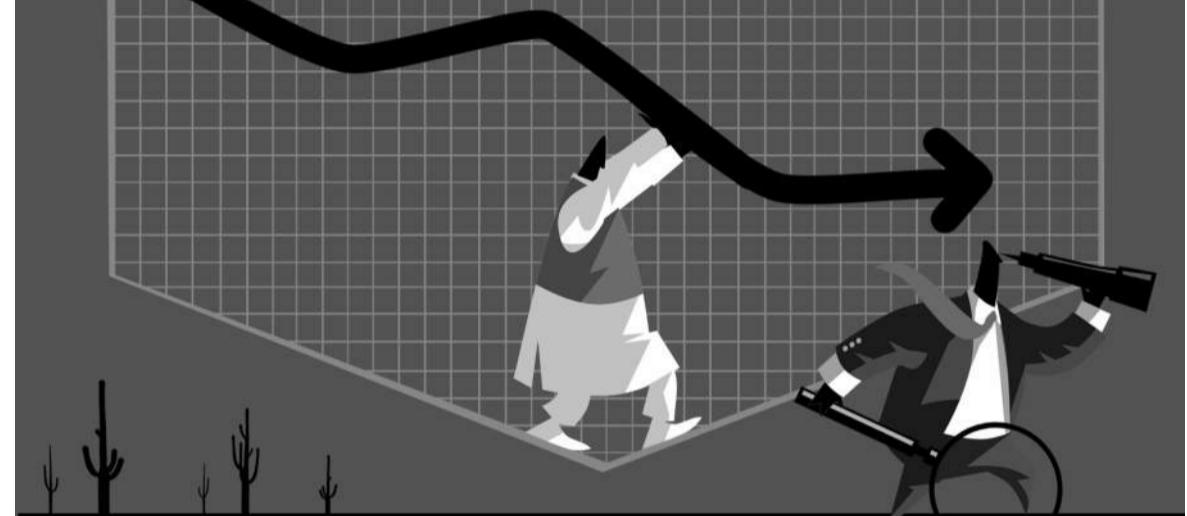
for the power they buy nor will they be able to modernise their networks to handle increased loads.

The government's electrification goals will also require a tremendous push from another key sector — renewables. India is now one of the leaders in clean energy generation but to keep the momentum going NDA 2.0 will need to set new targets beyond the existing 2022 targets of 175 GW, and bring in supportive policies. I would propose a renewable energy target of 250 GW for 2025, and 400 GW for 2030. This would imply that at least half of the new electricity capacity we need over the next 10 years will come from clean sources. This would buttress the PM's global leadership on climate change, with India leading the way in tackling one of the most defining challenges facing humanity today.

Fifth, and finally, given the sluggish-

ness in the Indian economy, and global headwinds that are likely to persist, the best course of action for the government may be a fiscal stimulus to revive flagging animal spirits. The clouds hanging over the global economy due to the US-China trade war and the slowing Indian economy make it imperative for the government to consider a sizeable stimulus in its first Budget. Fiscal deficit targets may be breached in the short term and purists will surely protest, but the longer-term benefits will outweigh the short-term disruption. A quick stimulus may also help in continuing one of the most important tasks before this government — the process of generating jobs for the millions of young Indians joining the work force.

The author is chairman and managing director, ReNew Power. Views are personal



INSIGHT

A fix for Boeing

Questions multiply about flight testing for the B737 MAX-8, MCAS software refinements, whistle-blowers and passenger confidence



VIJAY VERGHESE

Boeing says it has a fix for the B737 MAX8 jet that is currently grounded worldwide. This relates to a software fix for the MCAS (manoeuvring characteristics augmentation system), which is believed to have sent two planes into a fatal nosedive. This should be good news for travellers. Is it?

Airlines that are haemorrhaging money with aircraft idling on the ground — and shall have to spend yet more money on advertising and PR to reassure passengers their planes are safe — would be glad to get their birds in the air but not without solid evidence that the patch will work. The risks are too high. Three major Chinese carriers — Air China, China Southern and China Eastern — perhaps prodded by the fractious US-China trade impasse, fired the first salvo demanding compensation for the grounded B737 MAX-8 jets. Others will follow.

While bullish about its fix, Boeing

has failed to assume any clear responsibility for the crashes. CEO Dennis Muilenburg, who finally appeared on television half a year after the Lion Air crash in an egregiously botched PR exercise, continued to deflect the discussion towards pilot error — a tack the manufacturer has consistently taken.

Shareholders and questioning newsmen were offered waffle about a "chain of events" and "multiple contributing factors", none of which seemed to involve Boeing. It was a line of argument that incensed the American Airlines pilots' union who described as "inexcusable" Boeing's tin-eared approach even when they suggested fixes right after the Lion Air crash. There have been testy and candid exchanges between pilots and Boeing. One commented, "These guys (the deceased pilots) didn't even know the damn system (the MCAS) was on the airplane." He is right.

Muilenburg's optimism that when recertified the patched B737 MAX-8 aircraft will be among the "safest planes ever to fly", may not be shared by passengers, many of whom opted out even before the US grounding came into force. In early March Southwest allowed spooked passengers to switch planes if they did not wish to fly on a B737 MAX.

A key problem is that the airline is attempting a software patch for what is really a design flaw (like sending a Sumo wrestler to a psychotherapist to convince him he can do ballet). The airframe with its larger engines and the increased fuselage length simply does not gel with flight dynamics. Initial performance was



There is no doubt the original B737 is a workhorse that is absolutely safe. It has proven itself. The problem is with the cosmetic and commercial extensions on the MAX-8 that have stretched things beyond the design's capability

less-than-optimal and this is what necessitated the first fix — the MCAS.

How comfortable are you with your smartphone software updates? The process of catching and neutering bugs is by nature incremental. They first need to be found. If your phone malfunctions you cannot make a call. If a plane malfunctions it can fall from the sky.

The question of aircraft testing is another important area for scrutiny. Boeing is confident the plane is now airworthy. Flight safety is measured in terms of incidents per million flights and the aircraft manufacturer had by early May 2019 flown a little over 100 sorties. In statistical terms this strains to be meaningful.

It was later revealed that Boeing was unable to even simulate the MCAS nose-down stall-prevention sequence of the doomed aircraft. This has necessitated another critical software fix on B737 MAX training simulators. The issue may have been spotted earlier but the aircraft manufacturer did not believe simulator time was necessary. An iPad would suffice.

As the aircraft awaits flight certification (not from FAA and Friends' this

time but just the FAA), frequent flyers might ask themselves exactly how much they really know about aircraft and whether they would fly on the MAX-8. How might they react if Boeing was to later rebrand the plane and christen it anew?

In January 2019 Toyota recalled almost 2 million vehicles to fix defective "exploding" Takata airbags. It is far harder to recall a 66,000 kg aircraft and how airlines respond to the PR-perception challenge remains to be seen.

There is no doubt the original B737 is a workhorse that is absolutely safe. It has proven itself. The problem is with the cosmetic and commercial extensions on the MAX-8 that have stretched things beyond the design's capability. The 737 is a ubiquitous piece of equipment. As Muilenburg stated, "On average 2,900 B-737 airplanes are in the air with half a million passengers on-board at any given time." That's half a million reasons to get it right this time — starting with the airframe.

The author is a Hongkong-based journalist and the Editor of SmartTravelAsia.com and AsianConversations.com

LETTERS

No shortcuts

This refers to the article, "It's about high quality jobs" (May 30). The article is worth reading and has wonderful suggestions for creating high quality jobs in the country. In a country like ours where there is an increasing demand for quality jobs, it is essential to change the mindset of the people. Like the IT sector, tourism in India could be a big supplier of quality jobs and can meet the aspirations of the qualified youth of our country. Take the example of Scandinavian and Nordic countries that attract a lot of tourists specially during the summer. The sector employs a large number of young people and earns a huge revenue. It is also agreed that the manufacturing sector could provide millions of high quality jobs with labour reforms but suffer due to the wrong policies of the government. It is suggested that the youth be trained in sectors like tourism, food processing, garment and footwear manufacturing that have a huge presence in the international markets. A limited number of government and corporate jobs will not be able to solve the unemployment problem of India. What is needed is innovative thinking and proper planning.

Partha Sarathi Mukhopadhyay
Nagpur

A test of quality

I refer to "An action plan to energise defence" (May 28). The writer has made an excellent case for capital allocation rise for

defence in the next Budget, besides making several other suggestions. I hope the new government will seriously consider these. I would like to raise a few relevant issues relevant to the subject:

- For meeting the requirement of scientists, we have to ensure that for engineering and science students, a career in research and development is preferred by providing greater recognition and higher remuneration.

- The government organisations like Defence Research and Development Organisation may confine themselves to working out overall concept and design, leaving the detailing and supply of sub-systems to the chosen competent private organisations.

- Decision in urgent matters should be taken on a case to case basis without waiting for years for an overall policy applicable for such matters.

- The defence systems so developed should attract profitable export market. Export is a test of its quality.

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Modi govt 2.0

PM's signal to ministers: Perform or perish

Narendra Modi was sworn in on Thursday as prime minister of India for the second time amid extraordinary expectations from his government. With a 303-seat haul for the Bharatiya Janata Party (BJP), and with a commanding 353 seats for the National Democratic Alliance, high expectations from the government are only to be expected. Though a majority of the names in the second cabinet of Mr Modi are familiar as they were part of the earlier Council of Ministers, the prime minister has sent a strong signal of "perform or perish" by dropping around 30 ministers. Only a prime minister as much in charge of his party and parliamentary contingent as Mr Modi could have done such a cleaning-up exercise. However, two of those who do not find place in the new team are Sushma Swaraj and Arun Jaitley because of their ill health. The prime minister would surely miss Mr Jaitley, his long-time friend and colleague who served as finance minister in the first Modi government, was the BJP's chief trouble-shooter and steered the economy reasonably well. The absence of any representative from the Janata Dal (United), one of the BJP's close allies, is surprising and signals a simmering tension between the two parties.

Mr Modi has done well to bring in some new names, many of whom have proven themselves at the state level. In another welcome development, he has given a ministry slot to S Jaishankar, an outstanding ex-bureaucrat, and Hardeep Puri, a former career diplomat and minister, even though he lost the election. Induction of more such people who can marry good ideas with efficient execution is the need of the hour.

The biggest entry in the Cabinet obviously is Amit Shah, the master strategist in the BJP's spectacular win in the Lok Sabha election. The ability to deliver the goods for his party, along with his strong equation with Mr Modi, clearly makes him the second-most powerful member of the Union Cabinet. While the portfolio he would manage is not officially known, the buzz is that he may be given charge of the finance ministry. Though not much is known about Mr Shah's economic thinking, his political heft could come in handy in taking tough reforms decisions in case he moves into North Block. That is required at a time when deep-rooted economic challenges such as reviving India's growth momentum, both on the investment and consumption side, await the new government. Consumption, which makes up over 60 per cent of gross domestic product, has weakened sharply. Fixed investments have been almost stagnant at about 30 per cent of GDP in the past four years, and foreign direct investment has declined for the first time in six years.

One of Mr Modi's oft-repeated slogans has been "minimum government, maximum governance" — something that got pride of place in this year's BJP manifesto as well. By the yardstick of that slogan alone, the signals are not very encouraging. In 2014, the first phase of the swearing-in saw a 45-member Council, raising hopes that the prime minister would walk his talk. But that hope was dashed as the second phase — within two years — saw the cabinet size swell to 78 members, the largest in years. This time round, as many as 59 ministers have taken oath in the first phase, and it is to be hoped that Mr Modi would stick to his slogan and go in for a broad downsizing of the Council of Ministers.

The FDI problem

Shrinkage reveals questions about future of Indian growth

The data released by the Department for Promotion of Industry and Internal Trade (DPIIT) reveals some worrying news about foreign direct investment (FDI) in India. According to the DPIIT, foreign direct investment in equity has in fact declined in 2018-19, for the first time in six years. The decline is not great — only 1 per cent or so, from \$44.85 billion to \$44.36 billion, but it is nevertheless significant. This data on FDI flows has not always been released on time, in spite of the Reserve Bank of India passing on the required figures to the DPIIT in a timely fashion. The government was relying on FDI inflows in order to demonstrate the strength and potential of the Indian economy. It was also hoped that FDI would fuel manufacturing investment and jobs in an India that has otherwise, apparently, been plagued with jobless growth. The FDI performance of India over the last few years has also not been inspiring in terms of the destination of investment. In 2018, India dropped out of the top 10 destinations for FDI on the AT Kearney FDI Confidence Index for the first time since 2015. This came at a time when other comparable economies were doing relatively well — Southeast Asian economies saw FDI increase in 2018 by 11 per cent.

The nature of FDI even prior to the fall in 2018 was not entirely satisfactory. Too little of it was going into greenfield investment that increases productive capacity and the potential for jobs, which is the sort of FDI India requires. The government, which had been taking credit for robust FDI flows as a sign of its good management of the Indian economy, must also now take responsibility for its failure to sustain this momentum. Some rethinking of recent poor policy moves is in order. In particular, it appears that India must address questions about sovereign risk. Too many recent moves affecting foreign investors have been arbitrary in appearance, or seem to favour domestic interests over those of foreign investors. Such policy changes serve as a serious disincentive for foreign investment, and can explain the weakness of the FDI data. One such error was the draft e-commerce policy. Those who had invested in this fast-growing sector from abroad could justly complain that the rules of the game, which in any case gave them relatively harsh treatment, were then changed under their feet. Policy U-turn and arbitrariness must be replaced by consistency and investor-friendly institutions that work swiftly to redress such perceived unfairness. Inconsistencies that allow some companies — such as Apple and Ikea — more friendly treatment must also be addressed. Rules should be the same for all investors — and those rules should be, in addition, clear and transparent.

India is in any case suffering from a drought in private investment. Part of the reason for this was stressed balance sheets of Indian corporates and overcapacity in crucial sectors. There were hopes that this could be made up for by adequate foreign direct investment. If the FDI tap is also drying up, then it is an open question where the capital to fuel Indian growth will come from. Unless the government changes its attitude to FDI, India will face even more severe headwinds for growth.

A near-term policy agenda for the new govt

Markets are clamouring for stimulus and romanticising about big-bang reforms. But the new administration's first job must be to fix the plumbing

The National Democratic Alliance's decisive election victory has understandably buoyed markets and raised expectations of big-bang reforms (land, labour, capital) to drive the next burst of growth. It's important, however, for policy-makers not to get ahead of themselves. The first order of business must be to stabilise an economy that finds itself on a precarious wicket.

Growth has slowed discernably in recent quarters. To be sure, some of the pressures are transient: Sharp cuts in government spending to meet the 2018-19 fiscal deficit target, election-related uncertainty, and regulatory-induced one-time price-increases in the auto sector. These pressures will reverse in the coming months. But, even adjusting for this, underlying growth momentum has slowed meaningfully. Indian growth has largely been flying on one engine — consumption — which has progressively exhausted itself.

Rural consumption is hurting because the terms-of-trade confronting agriculture continued to worsen in 2018-19. Slowing urban consumption reflects the disruptions in the non-banking finance companies (NBFCs), auto and housing sectors, as well as the inevitable limits of dipping into savings to prop-up consumption when income growth has slowed. Simultaneously, the outlook for exports has worsened as global trade wars deepen. Slowing exports and consumption together create the worrying prospect of hysteresis. Therefore, even as the strong election result is likely to rekindle animal-spirits, they must contend with formidable headwinds.

The real challenge, however, is that counter-cyclical policy space is either exhausted or currently ineffective. Calls for a fiscal stimulus appear irresponsible, since India's total public sector borrowing requirement is almost 9 per cent of GDP, consuming all housing financial savings, keeping market interest rates elevated and impeding monetary transmission. Any stimulus will likely be counter-productive, simply pushing-up interest rates further, accentuating crowding-out risks and financial fragilities in the NBFC sector. Monetary policy has been eased but is not transmitting, with the yield curve still very steep, and bank lending rates barely budging.

What then can policy-makers do to arrest the slowdown? While markets remain focused on the demand side, the optimal response, in our view, is to focus on the supply side. Fixing the plumbing in three areas must constitute the near-term policy agenda:

1. NBFCs: its solvency, not liquidity

The relentless pressure that NBFCs have been under since last year has translated into their credit off-take collapsing, thereby compounding the consumption

slowdown. While bank credit has stepped-in, it cannot completely offset it, because these are very different business models that target different end-users.

The NBFC slowdown shouldn't be surprising. Financial conditions have meaningfully tightened in the sector with average spreads of NBFC bonds significantly above their pre-IL&FS levels. Importantly, this is despite liquidity conditions easing. Interbank system liquidity has eased, core-liquidity is now in a surplus, and several NBFCs are holding much higher cash levels on their books. Despite that, spreads have not softened, clearly suggesting these are reflecting credit risk, and not liquidity premia. Mutual fund flows have dried up and even bank lending to NBFCs — a key source of refinancing and disbursements — has slowed, suggesting banks, too, may be getting wary of credit risk. Contrary to the market clamour, therefore, this is not a liquidity problem. It's an underlying solvency concern.

Amisssing middle?

This, by itself, should not warrant any policy intervention. Lenders reassessing risk and charging higher risk premia is just the market mechanism playing itself out. Any intervention will simply induce moral hazard. That said, there is a growing concern that asymmetric information may be compromising allocative efficiency. The best NBFCs are easily able to attract funding and those with the most well-known vulnerabilities have understandably been rationed out. The prob-

lem is not at the extremes. It's likely in the "missing middle". It's likely that a vast swathe of NBFCs in the middle are unable to attract funding or raise equity, because investors are unsure about their underlying asset quality. This is the classic asymmetric information problem. One can't distinguish good apples from the bad ones, and so stops lending to all apples. In turn, this is forcing several NBFCs to demonstrably hoard cash — and thereby cut back on disbursements — to "signal" that are not amongst the bad apples. But this is a very inefficient signaling mechanism. More generally, asymmetric information about underlying asset quality is leading to allocative inefficiency and weighing on financing, equity raising, credit off-take and therefore on GDP growth.

Needed: credible signalling

What is therefore needed is a credible external signalling mechanism. This can best be provided by the regulator undertaking an asset quality review (AQR) of the NBFC sector. Once concluded, this would credibly distinguish the good apples from the bad apples, eliminate the "trust deficit" that



SAJID CHINOY

Modiji, ab ki baar, suit-boot ki sarkar

In July 2014, a single sentence from Rahul Gandhi that the Modi government was a *suit-boot ki sarkar* — a government of and for the rich — threw the prime minister completely off-balance. For the next five years, he focussed on ensuring that his government would not be seen as a government of the rich.

But now Mr Modi has delivered a handsome win for the Bharatiya Janata Party. He is the unchallenged political leader of India. There is, however, one challenge that still exists: His own mind, which is of a Left bent.

This is sad. So just as he exposed the fake secularism of the Congress, he must now banish its fake socialism which has affected him as well. That means he must free himself of belief that a government must not be seen favouring capital.

Everyone knows India needs investment on a massive scale to remove poverty. And, by now, we also know that private investment is what will make that happen because in a capital-scarce country, it is the private sector — barring the crooks — that uses capital more efficiently.

This is the main reason why, if he wants to help the poor and get the credit for it as well, he must do what China does. He must openly adopt pro-capital policies. And — this is critical — he must remember that pro-capital does not mean pro-capitalist. That was the Congress way, which suppressed private capital in favour of public investment while promoting favoured capitalists at the expense of the public sector.

What is to be done

The economic history of the world shows that governments which favoured private capital delivered the

highest rates of growth. That's why we need laws that don't discriminate against capital as this is essential for widening and deepening it. This is also something that China has done.

But since 1970 India has failed spectacularly in this regard. It was doing quite well before that.

After 1970, however, policy focus shifted to politically motivated, Left inspired redistributive policies at the expense of investment and growth. The 1983 book by Isher Ahluwalia described this perfectly.

Mr Modi did not dismantle these policies in his first term because he wanted to get re-elected. He desperately wanted to avoid what had happened to Atal Bihari Vajpeyi because of the India Shining campaign.

But now that he has been re-elected, he must take India back to the Nehruvian template of determinedly raising the level of investment, with one major difference: Nehru was forced to turn to state-led investment because the private sector threw up its hands.

But that is no longer the case and Mr Modi must go out of his way to assist it just as Nehru did with the public sector.

This should be Mr Modi's landmark departure from the Nehruvian model. All policies — tax, imports, interest rates and exchange rates — must be made private sector friendly. The public sector must go, once and for all. It is an *abhishaap*, a curse.

This is not to say there must be no public investment. There must. But it must be confined to building



LINE AND LENGTH

TCA SRINIVASA RAGHAVAN

ing transport and social infrastructure as China has done. Even the power sector, which the Congress thinks is infrastructure, must be privatised. It is deadweight on the exchequer of the state governments.

And, again, as China has done, the money for this must come from a massive sale of government land to large private sector firms to build office and residential real estate, the demand for which, despite the ups and downs, is insatiable. Moreover, it has a huge investment multiplier.

Turn right, Sahib

The short point is this: Mr Modi must now stop imitating the Congress. *Ab bahut ho gaya*. He must make a huge break with that model and go all out to support private capital.

He has already cleared the decks for that by emerging as the dominant partner in his relationship with the Rashtriya Swayamsevak Sangh, which is as statist as the Congress and the CPM. He should now get on with the job of making India a truly private enterprise-led economy.

In 2014, he used development as his main campaign appeal. Then, having failed to rid his mind of socialist cobwebs and used capital most inefficiently, he had to use nationalism in his 2019 campaign.

But what will he do in 2024 if he fails to deliver what his main support group wants, namely, both jobs and work. He can't fool the voter twice. That is why he needs to adopt the private sector politically. He has the necessary marketing skills to sell the idea to the country.

Once he makes up his mind to do this, the rest is a matter of detail. I am sure Mr Sam Pitroda will be happy to help with them, saying *kiya toh kiya*.

Generic corruption



BOOK REVIEW

Nitin Sethi

One of India's top pharmaceutical companies, Ranbaxy, its promoters and management defrauded the public, faked records, misrepresented facts, lied to authorities, forged scientific and safety records, cut corners around global regulatory regimes, all to knowingly sell sub-standard medicines, threatening lives across countries and continents. For years.

The only reason we know of it today is on account of a conscientious whistleblower employee who blew the lid off

the scam, ultimately causing the company to pay \$500 million as penalties while admitting to several crimes it had committed in breaking the US food and drug safety laws. It still didn't pay a penny in India.

The company, as an entity, has been legally extinguished now while its two promoters and siblings, Malvinder and Shivinder Singh continue to be in news, squabbling over the riches they earned in the process. Indian journalism has written post-facto eulogies (as the company grew) and obituaries (when it evaporated).

Bottle of Lies is the story of how this scam unraveled. A fantastic work of investigative journalism, written in such an eminently readable fashion that the book begs to be turned into a movie. It scripts the life, trials and tribulations (and ultimate victory) of the whistleblower, Dinesh Thakur, and the deep

conspiracies that Ranbaxy management engaged in for years to sell their spurious drugs.

The author, Katherine Eban, couples sharp writing with meticulous research, etching out not just the twists and turns that the US Food and Drug Administration (FDA) went through to book Ranbaxy for its crimes but also the lives and characters of the key players in the great game, including Mr Thakur. He is that rare whistleblower in contemporary Indian history who not only got away with telling the truth but eventually was also compensated for his troubles — and they were considerable. For all the reverence that developing-country regulators have towards their US counterparts, the US FDA does not come out looking too great either.

Yet, it's useful to remember that Mr Thakur, while telling the dirty truth about Ranbaxy, did not have to deal

with Indian authorities. It certainly would not have made for a story with a positive ending. India's meek whistleblower law continues to be in limbo and the state's response to the occasional brave whistleblower (from within the government or the private sector) remains shameful if not downright vindictive. Recollect the whistleblower forensic officer Sanjiv Chaturvedi's continuing struggles.

The book rarely slows down with the weight of Ms Eban's detailed research. When it does, it soaks the reader in the essential complexity involved in unravelling any deep-seated trans-national corporate frauds.

Ranbaxy's frauds, committed years ago, continue to damage the reputation of India's booming generic drugs industry which has provided affordable medicine to millions. There is no doubt that Big Pharma has made the most of this controversy to sow doubts about the efficacy of cheaper generic drugs in a bid to recover their market shares.

But as an Indian citizen one wonders: Didn't Ranbaxy sell the same spurious

medicines in India as well? What action was taken, or even contemplated against the company? How did the company never face a legal challenge on similar grounds in India? What have the Indian regulators and government done to curb spurious and sub-quality drugs in India by companies such as Ranbaxy that give the entire industry a bad name? Ms Eban, in closing the book provides some answers. She gives a whiff of what regulatory capture by private sector in India smells like — rotten.

There are larger questions that linger for the reader. Does the book capture the atypical story of how emerging economy industries emerge against the wealth, resources and asymmetric influence of the global North's industries over international and other trade regulations? Does the first wave of entrepreneurs inevitably build businesses on bending environmental, public health safety and labour standards to cut costs till they perish and stand new ones emerge that can better the record of their predecessors?

Another question that popped up

intermittently reading the book: Have India's regulatory mechanisms and capacities failed to keep up with the expansion of its economy? Reading Ms Eban's description of raids against Ranbaxy by the armed, trained and well-equipped forces of US FDA, I was left unsure how to remember the decrepit state of food, health and medicine regulatory authorities in India.

Which brings me to the question of journalist envy that Ms Eban's wonderful work evoked. I scanned through the acknowledgements of the book to see how she found the resources to investigate so deep and so long into one story. Will India's political-economy ever mature, progress and improve to permit, in the first place, and support, in the next, such public-service journalism?

BOTTLE OF LIES: The Inside Story of The Generic Drug Boom
Katherine Eban
HarperCollins
482 pages, price not stated

Opinion

THURSDAY, MAY 30, 2019



Not just an FM, Jaitley's counsel will be missed

The economic trough makes his successor's job that much tougher, though the final decisions are always those of the PM

GIEN THE ADDITIONAL complications with his health in recent months, and his fairly long absences from work even before that, it was always clear Arun Jaitley wouldn't be able to do full justice to the job he was to be appointed finance minister the second time around; to that extent, Jaitley has done the honourable thing by opting out. While a finance minister's job is among the most demanding ones in any government, Jaitley has always been much more than just an FM. He doubled up as defence minister for a long time, a period in which he cleared proposals running into tens of thousand crore rupees for potential manufacturing as part of the Make-in-India programme.

He was clearly the government's go-to person for all matters judicial and played a key role in the National Judicial Appointments Commission (NJAC) Bill—to propose an alternative to the collegium appointing/promoting judges—that was finally struck down by the Supreme Court. And, as FM, he was central to most government decisions, such as the one to open up the coal sector to private players or even keeping the names of donors to political parties secret provided the payments were made by cheque. His great interpersonal skills, fine judicial mind and the image of not being a hardliner made him the ideal spokesperson for the government on most critical issues. And while Jaitley is unfairly blamed for GST being too complex with too many tax rates—what could he do when the states didn't agree?—it was primarily his persuasion that ensured the number of items in the higher brackets has constantly been pruned; though the composition of the GST Council allows for a vote, Jaitley chose persuasion and has, till date, never used the vote for any decision. When the UPA left him to deal with the tricky issue of the retrospective tax, he came up with a judicial solution that ensured the government was not accused of favouring anyone; he said that while the government would not use the law, he would accept all judicial—and arbitral—decisions on the existing cases.

If Jaitley had a weakness as an FM, it was giving his officers too much leeway; as a result, he was unable to get them to reduce pending tax litigation as fast as he would have liked, and even allowed them to convince him to levy MAT on FII investments; it was only when FIIs began withdrawing their money that Jaitley set up a panel under Justice AP Shah who recommended scrapping the levy. Despite Jaitley's promise on being fair to victims of the retrospective tax, the tax bureaucracy confiscated Cairn Energy's shares and dividends and, till now, kept arguing retrospective tax cases couldn't be arbitrated. It also ensured the promise of a 25% corporate tax was never implemented for large firms, and the much-needed direct tax code which would reform the tax system was also delayed; as a result, it was left to Piyush Goyal to deliver relief to over 3 crore taxpayers by effectively doubling the income tax exemption limit to ₹5 lakh.

While Jaitley's successor will have to make a recalcitrant tax bureaucracy deliver and persuade state finance ministers to reduce the number of GST rates—only then does GST get really effective—rising oil prices will pose an additional challenge; Jaitley was able to help finance fairly high government capex on roads and railways through the bonanza got from the collapse in crude prices. To the extent the demonetisation bonanza seems to have exhausted itself, the next finance minister will have to rely on a combination of tax reforms and data mining to get a bump in collections. Jaitley was also blamed for forcing PSUs to take over other PSUs, but not going ahead with privatisation—including that of banks—was always the prime minister's call. The next FM can only be as effective as the PM allows him to be.

Getting drought-ready

India must add storage capacity, focus on crop-suitability

MORE THAN 40% of India faces drought this year—with half of this area set to experience severe to exceptional drought—as per a Business Standard analysis of the IIT Gandhinagar's Drought Early Warning System. The pre-monsoon rains have fallen short of usual by 23%—the worst deficit in six years. As of May 25, nearly 6% of India's land area was in the exceptionally dry category, seven times the area that was classified as such the same time last year. A little over 16% of the country's area was in the extremely and exceptionally dry categories, nearly four times that last year. India's future in the face of the unfolding climate crisis, as a 2013 World Bank study shows, is quite precarious. Since the 1950s, there has been a decline in monsoon rainfall, while the frequency of heavy rainfall events has also increased. Against such a backdrop, it is alarming that 60% of India's districts are not drought-ready, as per a 2018 paper by researchers at two IITs, Indore and Gandhinagar—only 241 of India's 634 districts are drought-resilient. Inter- and intra-state water disparity is a powder keg waiting to be lit as access to water dwindles in the coming years.

The factors that affect India's water-security are numerous, thus, there are multiple prescriptions for developing drought readiness. To start with, the country needs to urgently add reservoir capacity—while it receives an annual precipitation of about 4,000 billion cubic metre (bcm), the country makes a heavy discount for evaporation, of 2,131 bcm. Of the remaining 1,869 bcm, the water eventually available for utilisation is 1,123 bcm—the government says “various constraints” don't allow full usage. Now, against the evaporation and “constraints” losses of close to 2,900 bcm, the reservoir storage capacity in the country is a mere 257 bcm. Some of the constraints might be topographical or otherwise insurmountable, but surely India could do a lot better here? Just 34% of India's cultivated area has access to irrigation; this means the rain-fed majority is highly dependent on groundwater. But, there too, vulnerability is increasing because of the rapid depletion of groundwater—even without climate change, 15% of India's groundwater resources are over-exploited. Part of the problem is the large subsidies given by states to the farm sector for power—which enables indiscriminate groundwater pumping—and fertiliser, the excessive application of which changes the soil's water requirement. Thankfully, states like Punjab are beginning to wean farmers away from this. But, at the crux of this is farmers sowing crops ill-suited to a region's soil type and water availability—a water-deficient Maharashtra dedicating two-thirds of its irrigation water to sugarcane, grown on just 4% of the state's cultivated area, or a Punjab growing most of India's rice for exports when West Bengal has an economic water productivity for the crop that is 2.5 times higher. India's water-stressed future looks much worse if it does nothing resolve these issues.

Antibiotic FLOW

A new study shows the drastic levels of antibiotic contamination in rivers worldwide

A STUDY BY researchers at University of York highlights the rising antibiotic contamination of rivers. The research was carried out in 72 countries, to monitor the presence of 14 commonly used antibiotics, and found the presence of antibiotics at large levels in 65% of the sites. Ciprofloxacin, used for treating multiple infections, exceeded safe levels most frequently. The study highlights that, of 111 sites that had unsafe contamination, most were in Asia and Africa.

In India, a study by researchers from Banaras Hindu University showed high levels of antibiotic contamination of the Ganga. In a country that faces a high anti-microbial resistance (AMR) risk because of rampant antibiotic abuse, such contamination points at systemic deficiencies in treating waste-water and solid waste, thereby, revealing a failure of sanitation and waste disposal policies. In the case of the Ganga, for instance, faecal bacteria levels were found to be above the acceptable cap at 48 out of 61 monitoring stations—this, after the government claimed that 4,465 villages along the Ganga were now open-defecation free. Against a 3,730 million litres/day target for development of sewage treatment capacity—the volume of sewage dumped in to the Ganga—the existing capacity is of just 2,350 MLD. Also, an estimated 11,729 tonnes per day of municipal solid waste is generated by the 97 towns along the river, while the existing processing capacity is of just 3,786 tonnes, and a further capacity of just 3,058 tonnes has been approved so far. Against the nearly 5,000 km of sewage network that is targeted to be developed in cities abutting the Ganga, just over 2,600 km exists. All this means, even as India celebrates the Swachh Bharat Mission's incredible toilet-coverage success, our rivers are falling prey to inadequate sewage coverage and waste processing, leading to antibiotic contamination.

DEMAND SLOWDOWN LIKELY TO RESULT IN LOW Q4 FY19 GDP GROWTH, SIGNS OF STRUCTURAL WEAKNESS WARRANT A COORDINATED POLICY RESPONSE

GDP slowdown: A structural problem?

SAUGATA BHATTACHARYA

Senior Vice President, Business and Economic Research, Axis Bank. Views are personal

effect of growth and weights in the GDP as the contributions of the respective segments to overall GDP.

A drop in both cereals and horticulture is contributing to the agri slowdown. We await the results of the 3rd update of the 2019 rabi (winter) crop harvest, which, reports indicate, has been late to arrive in markets.

Industrial activity growth is expected to have held up in Q4 (at 5.6%) despite a sharp drop in the Q4 IIP growth to 0.5% from 4.7% over Q1-Q3.

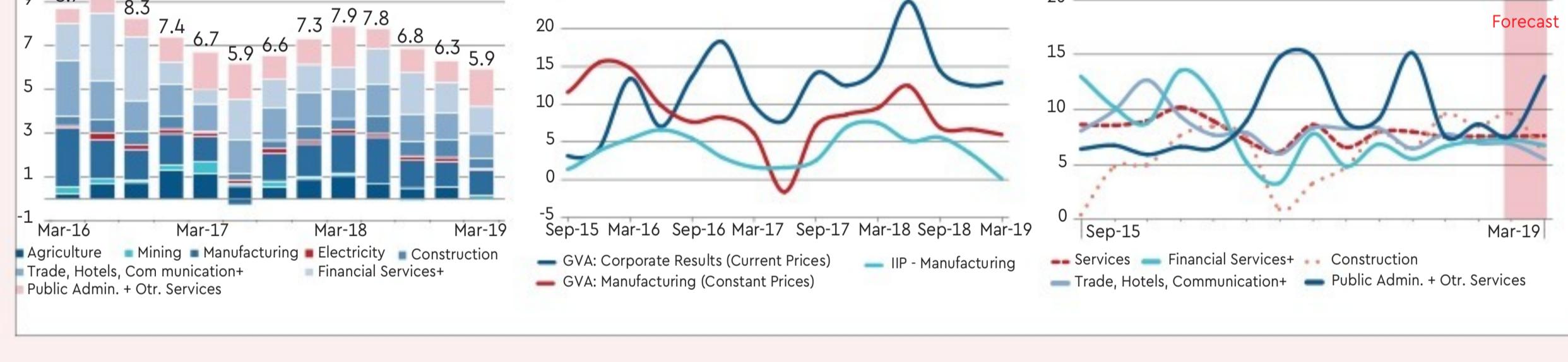
The reason is that GVA measure of output combines IIP with the P&L results of manufacturing companies that declare results. We proxy “value added” of a company's sales as the sum of its PBDIT and employee costs. A sample of 824 manufacturing companies shows 11% growth in net sales in Q4, only a moderate slowdown from 13.2% in Q3 (and 13.8% in Q4 FY18). Within the industry complex, the largest component is manufacturing, and relative growths in the IIP manufacturing vs sales of manufacturing companies is shown

in the accompanying graphic.

Similarly, among the trends in (and our forecasts of) the various components of services GDP the one which stands out is growth in Public Admin, almost half of which is government services [see accompanied graphic]. This estimate has the potential of going wrong, but we have based this on a reported 30% in central government spends in Jan-Feb '19. We expect March spending to have curtailed, post start of election model code (and seemingly validated by high government balances with RBI). If spends are lower, GDP growth will correspondingly fall, maybe to 6.8% for FY19. The other uncertain segment is Trade, Hotels, etc., post the introduction of GST; our understanding of the proxies used for this is still quite inadequate.

The concern is that within our sample of sales results of about 1,000 non-financial, oil and trading companies, a large quantum of the already slower growth is contributed by the top 100 companies (by sales).

With contributions from **Vikram Chhabra**



Support new exporters to shun China

Without infrastructure spending and multilateral trade deals that account for China's rise, the U.S. will find itself isolated from allies

IN A TRADE WAR, one country's strength is the other country's weakness. The U.S. imports far more from China than China imports from the U.S., which means that if the two countries were to sever all ties, China would need to find vast new markets in which to sell goods. The U.S. would have to find new places from which to import goods, which sounds easier but is no small feat.

There are lots of countries in the world that can offer cheap labor, but they don't have the infrastructure to produce and move goods. And while the ability to produce infrastructure is a strength for China, it has not recently been so for the U.S. If the Trump administration truly wants the U.S. to become less dependent on trade with China, America may need to get into the infrastructure business in a serious way, perhaps with a program similar to China's Belt and Road Initiative.

Vietnam is frequently mentioned as a country to which multinational companies can shift production because its labor is cheaper than China's, it's in close proximity to China, and it's already a country from which the U.S. is increasingly importing goods. As recently as 20 years ago, the U.S. was importing less than a billion dollars a year of goods from Vietnam, whereas in the most recent 12 months the U.S. imported over \$53 billion in goods from the country. The increase in tariffs on imported Chinese goods has had a noticeable impact on the growth in imports from China and Vietnam.

But that shift in production to Vietnam is not without its challenges.

Exporting countries need robust infrastructure to move goods around—roads, rail, power generation, ports. And countries like Vietnam are already struggling to keep up even at their current rates of output. To put things in perspective, over the past year the U.S. imported almost 10 times the dollar amount of goods from China as it did from Vietnam. Shifting that production from China to countries like Vietnam, Thailand, Indonesia or Mexico can't be done without significant investments in infrastructure.

China understands that.

Part of its vast international project known as the Belt and Road Initiative has been intended to create more interconnected trading ties to China around the world. If we're really shifting to an era in which countries find themselves deciding between a China-centric economy and an America-centric one, then the U.S. may find itself needing to make infrastructure investments around the world as well to keep countries in its sphere of influence.

The main hurdle to do this is likely to be political rather than economic. Ever since the 2008 financial crisis, Washington has found itself increasingly unable to govern, with Congress brought to a halt by gridlock, divided government, and the legislative filibuster in the Senate. This inability to

govern must show part of why China finds more to like in its own system of governance than America's.

If "winning" is a function of the size of a country's economy, trading ties to other countries, and technological prowess, then Congress needs to engineer some combination of faster economic growth, more immigration, infrastructure growth, trade deals with other countries, and faster technological progress, perhaps in part by spending more on government research.

An inability to do this would be damaging on multiple levels. First, without infrastructure spending and multilateral trade deals that account for China's rise, the U.S. will find itself isolated from allies and stuck in its reliance on imports from China. Second, it would mean slower economic growth and less technological innovation, allowing China to catch up with the U.S. in both departments. And third, if Washington continues to be unable to govern, why would any other country look to America as a national model worth emulating and a trading partner to rely on? If America wants to pursue a different course in its relationship with China, someone somehow is going to have to make America govern again.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners

— M Jayaram, Sholavandan

• Write to us at feletters@expressindia.com

LETTERS TO THE EDITOR

Disputed rivers

The Cauvery Water Management Authority (CWMA) directing Karnataka to release 9.19 tmcft of water to Tamil Nadu has infuriated farmers in the Cauvery basin and rightly so. The plummeting water level in the Krishna Raja Sagar dam across the Cauvery in Mandya district and the monsoons playing truant is a matter of concern. However, the farmers can take solace on the ground that water is to be released based on the inflow into the reservoirs. Another consolation is that the Karnataka government has decided to seek legal opinion before taking any decision.

— N Ravi Chander, Kalyannagar

Tadvi's Case

The suicide of Payal Tadvi, a young woman doctor from Scheduled Tribes community, working in BYL Nair hospital at Mumbai, allegedly after facing persistent caste-based discrimination from her senior doctors is nothing, but a grim pointer to the entrenched caste system, and the miles we have yet to go, to banish the abominable and discriminatory practices on the ground. Caste-based discrimination is an ubiquitous phenomenon which afflicts every major institution of the country. Our educational institutions which are expected to preach and practice liberal and egalitarian values—in consonance with our principles enshrined in our constitution—have not yet been free from caste-based discrimination. This attitude within institutions is not only saddening, but also a clear demonstration of the failure of independent India to keep the evils of casteism at bay in its places of higher learning.

— M Jayaram, Sholavandan

INDIA'S WATER CRISIS

Public Health Minister, Madhya Pradesh, Sukhdev Panse With 1,544 cubic meters per capita availability, India is already a water-stressed country and is moving towards becoming water-scarce



ILLUSTRATION: ROHIT PHORE

WHAT DID WE LEARN from the victory of the ruling coalition? We already knew that Narendra Modi is a charismatic and effective campaigner, and that the Bharatiya Janata Party (BJP) is well-organised and influential communicators. What we learned from the stronger than (mostly) predicted triumph was that voters were susceptible to the kind of appeal that the ruling party and its leader, in particular, offered. This was an assertive nationalism, firmly grounded in religious identity.

Certainly, elements in Pakistan played into this narrative—without the attack in February, the margin of victory might have been smaller. But the result also suggests that, even without the specific national security angle, a campaign of emphasising threats from outsiders, whether hostile neighbouring governments or hapless illegal immigrants, would have paid dividends.

The core message of the BJP has been sinking into Indian minds, becoming normalised and familiar. A party that had never captured much more than a third of national parliamentary seats before 2014 is now, by far, the single most dominant force in Indian politics, with a robust new presence in the nation's East and (partly) its South.

The substance and style of the campaign also taught us something about what many Indian voters value in a leader. Modi has effectively created himself as a "man of the people," though with clear signals that he is also special (the many doubles, the ubiquitous images, the various symbolic actions and markers of holiness). In a sense, he is—someone from an urban working class background, not a descendant of a wealthy dynasty. Jawaharlal Nehru acquired the common touch by his participation in the freedom struggle, though he remained an aristocrat at heart, but each succeeding generation has moved further away from that legitimacy. Rahul Gandhi was figuratively left in the dust in the comparison with Modi, even losing his parliamentary seat in a former family stronghold. As many have noted, Modi is a new kind of leader for India.

We also learned that many Indian voters are willing, at least temporarily, to put aside concerns about their material well-being, in order to follow more elemental desires for security and feelings of belonging. But we did not learn

What did we learn from the elections?

We learned that many Indian voters are willing, at least temporarily, to put aside concerns about their material well-being, in order to follow more elemental desires for security and feelings of belonging. But we did not learn how serious the ruling party is about economic progress, nor do we know how opposition parties will respond to the new state of affairs

elemental desires for security and feelings of belonging. To the extent that these feelings are fulfilled by denigrating others, this is a dangerous situation, not just for the victims of this exclusion, but ultimately also for the victimisers. Division and conflict of this kind do not lead to good outcomes. This is partly why I described India's election as "unhappy" in my previous column ("India's unhappy election"; FE, May 25; <http://bit.ly/2VRMJuJ>). Of course, there are many examples of identity-based conflict throughout independent

There are many lessons of the election, and many causes for concern. But there are also uncertainties, and India's future is not determined by the results of this one

esce or are apathetic. Some observers have noted the tendency of the last government to act in ways that diminish institutional autonomy and

India's existence, but the vote in this election suggests an unwelcome resurgence of acceptance of that state of affairs.

What we did not learn from the election is how these factors will play out over the next five years. It is certainly possible for an autocratic ruler to erode institutions that support democracy, through various checks and balances, especially if enough citizens acquiesce or are apathetic. Some observers have noted the tendency of the last government to act in ways that diminish institutional autonomy and

integrity. If that impulse continues, then this election may mark a permanent shift in India's polity.

We also did not learn how serious the ruling party is about economic progress. At times, there have been positive signs, including a continuation of reforms started under previous governments, as well as striking new initiatives such as a focus on toilets and sanitation. However, in many ways, the previous government continued the worst habits of all its predecessors: overcentralising, emphasising symbolism rather than effective implementation, and not drawing on a broad enough range of expertise. Centralisation and personalisation of power and decision-making are unlikely to lead to economic policies that support economic progress at the rate India needs, and is probably capable of.

We also do not know how opposition parties will respond to the new state of affairs. It is plausible that the national government's relative failure on the economic front contributed to the wins for the opposition in recent state assembly elections in the Hindi heartland. In the campaign not one opposition party seemed to offer a message of a pathway to economic betterment that could be an alternative to the nationalist war cry. Nor did they articulate a compelling alternative ideal of what India is as a nation. Perhaps nothing would have worked in this campaign, but the lack of vision is worrisome. "Bijli, sadak, paani" is not passé, but needs to be extended to "hawa" and "zameen," as environmental degradation starts to erode the quality of life and even livelihoods. The Congress party has a complementary problem as well—it lacks any compelling vision of how to drive improved material well-being for the masses is connected to its being run as a family business, with weak organisational structure and no room for new ideas. We do not know if it can learn any lessons from two successive drubbings, and implement the changes it needs to stay politically relevant.

There are many lessons of the momentous election that has taken place in India, and many causes for concern. But there are also many uncertainties, and India's future is not completely determined by the results of this one election. The next few months may provide clarity: whether that is positive or negative has to be seen.

Promising 'new' joint secretaries

**RC
ACHARYA**



The author is former member, Railway Board

Hopefully, they would be fired up enough to work with the zeal of a *karma yogi*

REALISING THAT 'DOMAIN EXPERTISE' was missing in his thrust to speed up reforms and ensure better delivery of his varied programmes, Prime Minister Narendra Modi belatedly decided last year to induct experts in a number of ministries at the joint secretary (JS) level.

Considered a key cog in the successful implementation of a policy decision in any ministry, currently personnel managing the posts of JS seldom have domain expertise, understanding of the issues involved, or any hands-on experience. His or her knowledge is mostly of the armchair variety, being what could be gleaned from the office records. In June 2018, the UPSC set about inviting applications for the post of JS in 10 designated ministries, which saw a flood of nearly 6,000 applications. The shortlisted candidates were subject to an interview and the final list issued on April 12, 2019, a full nine months after the posts were advertised.

Persons selected include Kakoli Ghosh for the ministry of agriculture and farmers' welfare; Amber Dubey for the ministry of civil aviation; Arun Goel for the ministry of commerce; Rajeev Saksena for the Department of Economic Affairs; Sujit Kumar Bajpayee for the ministry of environment, forest and climate change; Saurabh Mishra for the Department of Financial Services; Dinesh Dayanand Jagdale for the ministry of new and renewable energy; Suman Prasad Singh for the ministry of road transport and highways; and Bhushan Kumar for the ministry of shipping. Only time will tell how effective will they be and how long would they last trying to cut the red tape strung across by the entrenched army of directors, section officers, and achieve results.

However, it appears that the UPSC has done a fairly good job by selecting persons who have excellent domain expertise and proven expertise in their chosen field. For instance, Dubey, selected for the ministry of civil aviation, is not only

Only time will tell how effective will they be and how long would they last trying to cut the red tape

Similarly, Saksena, in the Department of Economic Affairs, is director, Economic and Infrastructure, SAARC Development Fund (SDF). With over 22 years of relevant work experience, he comes with strong skills in credit and risk management. Working with the Standard Chartered, he had managed to steer Japanese and Korean investments into the Dedicated Freight Corridor and Delhi Mumbai Industrial Corridor. Earlier working in IDBI Bank, he advised PSEs and government bodies and was instrumental in designing and implementing IT-enabled solutions for the MGNREGA.

Here, it is interesting to note the way experts got inducted by the US government when they set up a separate department under the Department of Energy for developing alternative sources of energy. Modelled on the Defense Advanced Research Projects Agency (DARPA) but focused on the development of transformational energy technologies, Advanced Research Projects Agency-Energy (ARPA-E) was recommended to Congress in 2005 by the National Academies. A statutory authority, its director is appointed by the President, with the advice and consent of the Senate. The director can appoint up to 120 experts and shall have the authority to make appointments of scientific, engineering and professional personnel without regard to civil service laws!

In a true story, the person in-charge for inducting experts set about acquiring talent not by placing advertisements in newspapers, but seeking them in places such as conference on energy matters. On one such occasion, he was able to discover a Mr X who fitted his bill of requirements, was invited over for a detailed interview, and being found satisfactory, handed over an appointment letter the same day.

Hopefully, the experts selected by the UPSC would be fired up enough to work with the zeal of a true '*karma yogi*' even if their pay takes a hit, find navigating the bureaucratic jungle frustrating, and are often driven up the wall.

NBFCs

Facing regulatory headwinds?

RBI may tighten NBFC regulations to the extent large NBFCs carry the seeds of financial instability

**BARENDA
KUMAR BHOI**

Visiting fellow, IGIDR, and former principal adviser, MPD, RBI

Now, should RBI open a special liquidity window for NBFCs? After the global financial crisis in September 2008 and also during the taper tantrum in July 2013, RBI had introduced a temporary liquidity window for MFs to tide over acute redemption pressures. During mid-July to October 2013, commercial banks were allowed to borrow up to ₹25,000 crore from RBI at a penal rate of 10.25%, which was well above the bank rate, for on-lending to MFs. There was no direct lending by RBI to MFs. In addition, MFs hardly availed this facility as the lending to them through banks was not cost-effective.

RBI feels that there is no shortage of liquidity at the system level and, therefore, opening a special window for NBFCs

does not arise. As the repo rate has been cut twice and the liquidity condition has improved significantly in 2019, money market rates have softened, which might have benefited NBFCs as well. Commercial banks, maintaining NBFC accounts, may possibly provide limited short-term liquidity to NBFCs as per needs at their own risk, provided NBFCs have high quality collateral.

Unless there is an exceptional circumstance, there is no case for opening a special liquidity window for NBFCs. Even if a special window is opened for NBFCs, it may not be attractive as the penal rate may be higher than the CP rate or yield on corporate debt. Moreover, this may create distortion in the money market if the RBI penal rate is not aligned to the CP rate



or yield on corporate debt of similar maturities. There is a growing perception that only a handful of NBFCs face liquidity problem due to weaknesses in their balance sheets arising from imprudent lending. In the absence of AQR, it is not clear whether such NBFCs face temporary liquidity problem or insolvency problem?

There is a thin line of difference between the problem of illiquidity and insolvency. A potentially insolvent NBFC may face liquidity problem to begin with. This needs to be studied through AQR of NBFCs, which is overdue. As far as IL&FS is concerned, it looks more like an insolvency problem (involving close to ₹1 trillion) than a liquidity problem. Due to spillover effect from IL&FS, the possibility of other NBFCs facing temporary li-

quidity problem cannot be ruled out altogether. In either case, NBFCs have been paying a price in terms of spread over risk-free rate depending upon the strength of their balance sheets and corresponding credit ratings obtained by them for issuing CPs or debt instruments. Let the imprudent NBFCs be penalised by market discipline.

The problem of NBFCs is not limited to credit risk only. The asset-liability management (ALM) of NBFCs seems to be disappointing as they are not regulated as stringently as banks. Financing long-term assets through short-term borrowing is not sustainable. A similar business model, relentlessly pursued by shadow banks in Western countries, led to the global financial crisis. In India, as

NBFCs have acquired a sizeable proportion of the financial sector, they can cause financial instability if they do not change their business model well in time.

NBFCs face stringent regulatory headwinds, going forward. RBI may tighten NBFC regulations to the extent large NBFCs carry the seeds of financial instability. It has already asked large NBFCs to appoint a Chief Risk Officer as a preventive measure. On May 24, 2019, RBI has come out with a draft circular on liquidity-risk management framework for NBFCs for public comments. Proposals include, inter alia, introduction of the liquidity coverage ratio (holding of high-quality liquid assets like G-Secs), disclosure of funding concentration, Board-approved comprehensive risk-mitigation policies, etc.

There is no specific mention about AQR for NBFCs other than broad ALM guidelines. The liquidity coverage ratio is proposed to be fully operational over a period of four years starting April 2020, which can be shortened appropriately to, say, 2-3 years. Measures proposed in the draft circular look more like a health check to NBFCs and their Boards, rather than specific targets, except the liquidity coverage ratio, to be achieved in a time-bound manner. The whole gamut of prudential regulations relating to NBFCs needs to be revisited, including AQR, provisioning/capital adequacy, besides supervisory review of ALM. Alternatively, NBFCs, more interested to have access to public deposit, may be converted into banks and adhere to banking regulations.

THE NEW ORDER

Amit Shah's entry into cabinet marks a significant transition that could re-shape both government and party

The new Narendra Modi ministry sworn in on Thursday, for the second term won after a spectacular mandate, sends out at least three messages. First and foremost, is the shift, from party presidentship to the cabinet, of Amit Shah. The man who, over the last five years or so, has remade the BJP, stamped the party with the personal and political imprint of its Big Two, Modi and Shah himself. The man who has aligned the *sangathan* (organisation) with the *sarkar* (government) more purposefully than ever before. Now, Shah's move to government consecrates that coming together, and signals that it will be carried forward. In all probability, the boundaries between the two will be more permeable — or will wither away more than before. A new dynamic may have been set in motion on Thursday. It will be watched. What will the closer fusing of party and government mean in terms of the centralisation and concentration of power? What will it do to the lines of accountability that run between government and the people? Of course, by becoming minister, after winning a Lok Sabha election, Shah is also making an important personal transition, marking his own arrival from the backroom to political centrestage. He is no longer just the master of the machine, but the most prominent leader on the BJP's reconstituted second rung.

The second message can be read from the inclusion of former foreign secretary S Jaishankar into the cabinet. Jaishankar, foreign secretary from January 2015 to January 2018, has previously held crucial positions like the ambassador to China and the US. He had played a key role in stitching an international consensus that paved the way for the Indo-US civilian nuclear deal. His lateral entry in the Modi cabinet — he has no political experience nor any electoral record — adds experience and heft to any future agenda of engagement with the world, especially with the big powers. It also signals that this government is willing to cast its net wider for talent. For a government that takes charge with a mandate as large as this one, there will be greater expectations than before. To fulfil them, it will need to reach out to tap the best resources, enlarge the catchment area. In that context, the induction of Jaishankar is a welcome signal of openness.

The third message from Thursday's exercise is that in both the BJP party and government, the old order is yielding place to the new. The process that was set in motion in 2014 has almost reached culmination. While Arun Jaitley may have bowed out of government due to health reasons, the fact that Sushma Swaraj will no more be part of the BJP government either, after having refused to contest the election, is a powerful statement of change and transition.

RACE FOR TEL AVIV

Netanyahu fails to stitch a coalition. Fresh elections could mean another campaign focused on muscular nationalism

IN JULY, BENJAMIN Netanyahu will become the longest-serving prime minister of Israel, beating David Ben-Gurion, the country's founding prime minister. That milestone for the right-wing Likud's leader, however, will be bitter-sweet: A month after the general elections concluded in April, the Knesset voted overwhelmingly to dissolve itself, and fresh polls will likely be held in September. After the election results in April, it seemed that Netanyahu had succeeded in projecting himself as the only strongman capable of protecting Israel and the narrative of national security was enough to counter the charges of corruption and impending indictment by the attorney general.

Netanyahu has earned the dubious distinction of becoming the first PM-designate in Israel's history to be unable to stitch together a coalition. This becomes even more surprising given that the Likud increased its tally by five seats (to 35) in the 120-member Knesset. The prime minister is caught between religious and military hardliners: Former Defence Minister Avigdor Lieberman, whose party's support was vital for a right-wing coalition, has insisted that the number of ultra-orthodox Jews in Israel's military draft be increased, while the religious elements of the prospective coalition opposed the move. The fear, as Israel enters into campaign mode once again, is that the poll-time rhetoric will make the possibility of a meaningful dialogue with Palestine even more remote.

Netanyahu may well believe that projecting an even more muscular nationalism, one which furthers a sense of siege in ordinary Israelis, is his best chance of retaining office. Before the 2015 elections, he had been an advocate of a two-state solution to the Israel-Palestine conflict. His turnaround before that campaign yielded political dividends and at the same time, pushed farther away the possibility of peace. Ahead of the 2019 elections, even the principal Opposition, the newly-formed Blue and White party, maintained a hard line on Palestine. There is the possibility that the political churn in Israel could throw up a more centrist alternative. Or a new government could maintain the status quo or even further the othering of Palestinians. New Delhi, a traditional ally of Palestine with increasingly deep strategic and economic ties with Israel, can only wait and watch. PM Narendra Modi has managed to de-hyphenate relations with Israel and Palestine. India's relationship with Israel is likely to grow, no matter who wins the race for Tel Aviv.

FREEDOM GAS

After some solid states, America claims to give freedom to liquefied natural gas

America stands for a lot more than freedom now. It stands for "freedom gas". And you would be foolish to think this is just more hot air emanating from POTUS and his administration. A press release this week, from Trump's Department of Energy (DoE), has re-labelled liquefied natural gas.

Mark W Menezes, the US undersecretary of energy, renamed LNG while announcing the DoE's approval of increased exports of the natural gas produced by Freeport LNG, a gas production facility off the coast of Texas. The announcement also quoted the energy department's assistant secretary for fossil energy as saying that the DoE is aiming for the "molecules of US freedom to be exported to the world". This decision by the Trump Administration seems to sit nicely with Jacques Charles's pioneering work. He said that the volume of a gas is proportional to its absolute temperature at constant pressure. The Trump presidency has indeed been under pressure. Naturally, the volume of rhetoric can only increase as "fake news media" ratchet up the temperature with multiple investigations. Earlier this month, the US energy secretary had informed an audience that "the US is again delivering a form of freedom to the European continent", and that instead of "young American soldiers, it's in the form of liquefied natural gas".

This is the extension of a legacy. The White House cafeteria is said to have renamed French fries as "freedom fries" in 2009 when the French opposed the Iraq war. Wondering about the equivalent connect for freedom gas? China is the world's largest source of natural gas demand growth globally now and the US is one of the biggest exporters of it. Freedom always has a price.

THE EDITORIAL PAGE



NEELKANTH MISHRA

HUNDREDS OF MILLIONS of people rarely agree on who should make decisions on their behalf. The BJP now has an overwhelming majority in the Lok Sabha, and has possibly a good chance of crossing the halfway mark in the Rajya Sabha by next year as well with allies. Even as political scientists bemoan the rising concentration of power, hopes have picked up again of a radical reorganisation of the economy that improves the "collective good".

In India, there has rarely been a dearth of options on what needs to be done, and there is a long list of reforms that often appear on wish-lists, each discussed for decades. For example, the problems of the railways have been repeatedly documented, their criticality for the economy highlighted, and suggestions for ending the government's monopoly, splitting it, corporatising it, listing it or privatising it have been made. Administrative reforms were first discussed more than five decades ago. India's laggard manufacturing has similarly dominated economic literature and the voices of commentators for a long time. Much has been written on the challenges of power distribution: Notoriously inefficient state-government monopolies; or on agriculture, where India's workforce remains disproportionately large.

There are a few areas where significant background work has been done, and the process needs to move towards conclusion, such as in labour reforms. More than 40 laws with often contradictory clauses are to be replaced by four new laws (or codes); The first of these (the code on wages) now needs to be legislated. The code on labour could be next. There are some long-standing issues like urban infrastructure and affordable housing where intent has been shown and efforts made, but with limited success so far: Continued focus would be of the essence. The realisation in the past few years that there is scope for significant improvement in the abysmally low direct tax to GDP ratio also needs to see some follow-through. To these must be added some new challenges that have a more recent provenance,

New government should utilise its enormous political capital to introduce economic reforms

that is, those that have only become critical in the past few years. In these, the problem itself has to be first defined properly, and the government's approach made clearer.

The foremost here must be India's frighteningly growing dependence on imported energy. As discussed in this column last year ('An agenda for energy', IE, October 23, 2018), one cannot grow economically without consuming more dense forms of energy, and India either does not have domestic sources of dense energy, or does a poor job in extracting and using them. As a result, import dependency is rising, creating growth risks: These days even a \$10 rise in crude oil prices begins to threaten growth.

The second has to be the financial system where government owned (PSU) banks still dominate. When 90 per cent of the bad loans in the past few years turned out to be in PSU banks, the government made a tacit assumption to privatise the financial system by stealth. It assumed that as PSU banks lost market share to private banks and non-banking financial firms (NBFCs), the system would become privatised. This had worked (even if unintentionally) in airlines and telecom, but once the NBFCs growth slowed due to a funding crunch, the problems in this approach have become obvious. The recent economic slowdown is perhaps worsened by a lack of financial capacity in the system: A decisive approach on the financial architecture in India is necessary.

The third has to be a rethink on foreign capital inflows. Total capital inflows as a share of GDP last year fell back to 2002 levels, and can become a cap on economic growth, particularly given rising energy imports. The last time the rupee's convertibility on the capital account was discussed in-depth and a consensus built on the framework, India's economy was the 15th largest in the world, struggling with chronic high inflation and no demonstrated commitment to fiscal responsibility. The world has also changed, in its geopolitics as well as growth assumptions and capital flows. The objective should not just be to attract more foreign capital, as it can cause undesirable volatility, but to prudently assess

which risks are worth taking, given the changed domestic and global environments.

The fourth would be better measurement and transparency. Everyone being on the same page on where our fiscal deficits are, where our growth is, and if we are creating enough jobs, is important. Even if some of the distrust on growth metrics is politically generated, there is no doubt that the Indian economy is very hard to measure, and that the time spent debating whether the economy is growing or not is a waste. This uncertainty has real costs too: The lack of a clear time series and the policy on off-balance-sheet borrowings by the government is one of the factors often quoted to justify high interest rates in the economy.

That change has been slow on all of the known fronts is a reflection of the challenges in economic reforms. First, even steps that improve the "collective good" have interest groups that would lose economic power: Think, for example, about corporates that lose control of their companies if the firms go bankrupt, or tax evaders who are forced to pay up. The losers can exert more pressure in the near term than the beneficiaries whose gains can be more diffuse: How does a citizen for example count her gains from "efficient allocation of capital"? Second, reforms are disruptive, and the more radical ones almost by definition involve uncertainty, like a surgery: Slip-ups in execution can imperil even the best intended changes. Third, given that reforms for the above reasons use up political capital, or goodwill of the masses, it is tempting to target incremental improvement. This requires sustained effort and is less risky: Not all cricket matches are won by hitting sixes.

At the same time, political capital, earned through hard work in elections, also fades fast. Spending some of it to push through some long pending decisions could be the stimulus a three trillion dollar economy needs to keep growing rapidly.

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

PLAY THE LONG GAME

Modi government should maintain the pressure on Pakistan and its PM



TILAK DEVASHER

PRIME MINISTER NARENDRA Modi's new government has begun its second term well by continuing its policy towards Pakistan — "terror and talks can't go together". The response to the Pakistan prime minister's congratulatory tweet and telephone call after the electoral victory was formal and correct. This has been followed up by not extending an invitation to Imran Khan to attend PM Modi's swearing-in ceremony. As it settles into its second term, the government could consider the following factors while determining possible approaches towards Pakistan.

Imran Khan should have more than four years to go as PM provided, of course, he stays on the right side of the army. Pakistan's economy is on the brink, with the rupee in free fall, mounting deficits, plummeting foreign reserves and a mountain of debt re-payments. Not surprisingly, the IMF has been insisting on tough conditions before it provides Pakistan a \$6 billion bail-out package. Then there is pressure from the Financial Action Task Force (FATF) for Pakistan to get its anti-terrorism financing law and practices in line with the international community or face black-listing. To top it all, relations with the US are at a low despite Pakistan's role in the US's exit strategy from Afghanistan. The one silver lining is, of course, the "all-weather" friendship with China, notwithstanding the Masood Azhar listing in the 1267 committee of the UN.

As against these short-term and immediate factors, India would also need to consider some long-term issues. Key among these are

To break the ice, New Delhi could adopt a transactional approach where Pakistan is asked to demonstrate good faith through a slew of measures, like allowing land transit to Afghanistan. Imran Khan had himself talked about regional trade when elected. This would test the army's sincerity in wanting better relations and allowing PM Khan the space to deal with India.

that the Pakistan Army continues to call the shots on security and foreign policy, especially with regard to India. Its animosity towards India will not change in the short to medium-term and India will continue to be projected as an existential threat. The army will not relent on fomenting terrorism in an attempt to seize Kashmir. It would, therefore, not jettison the jihadis despite international pressure.

Another element to consider is Imran Khan's personality. Despite being beholden to the army for survival, he is the face of the current phase of Pakistan's democracy and his predilections have to be factored in. Four strands need to be noted: First, he has a strong belief in establishing an Islamic welfare state. Second, he is prone to making announcements without due deliberations/consultations, leading to frequent 'U' turns. Third, like all fast bowlers, he is quickly provoked and responds in anger, straying from the script. Fourth, he is media savvy, articulate and can make out-of-the-box suggestions.

During the sidelines of any meeting at the Shanghai Cooperation Organisation in June or elsewhere, the Indian government could follow up on its initial response by continuing to be formal and correct with a hint of being enigmatic. The stress could be that India, despite taking the initiative in the past, has been met with disappointment and duplicity. Therefore, only small steps can be taken towards normalisation.

To break the ice, New Delhi could adopt a transactional approach where Pakistan is

asked to demonstrate good faith through a slew of measures, like allowing land transit to Afghanistan. Imran Khan had himself talked about regional trade when elected. This would test the army's sincerity in wanting better relations and allowing PM Khan the space to deal with India. Another issue is the speedy trial of the Mumbai accused, severely restricting the activities of terrorists like Hafiz Saeed and Masood Azhar as also curbing terrorism directed at India.

These good-faith measures could be finalised, if necessary, through restarting the back-channel with a designated Pakistani representative. A decision on talks at the official level to discuss substantive issues, especially terrorism, could be taken after gauging Pakistan's sincerity. In the meanwhile, formal meetings at multilateral fora could continue as photo-ops. Normalisation of relations should be treated as a distant objective, desirable but not essential.

Given the situation that it is in, Pakistan needs time to resolve its internal problems and contradictions. Just announcing that talks are to be held with India would ease one major element of its problems — international pressure. This is something that India need not facilitate.

Devasher is author of 'Pakistan: Courting the Abyss' and 'Pakistan: At the Helm'. He is a former Special Secretary, Cabinet Secretariat, and currently member, National Security Advisory Board

MAY 31, 1979, FORTY YEARS AGO

SPECIAL COURTS SETUP

THE GOVERNMENT HAS issued a notification for the setting up of two special courts to try emergency offences. The courts, to be called Special Court No. 1 and Special Court No. 2, have come into being with immediate effect, but they will start functioning only after the Chief Justice of India names two judges to preside over them. There has been speculation on the names of the judges for the special courts. Justice M L Jain, Justice Prithvi Raj and Justice S S Chaddha of the Delhi High Court are being mentioned.

NO CONFIDENCE VOTE

INDIA CONVEYED TO MOROCCO THAT IT HAS LOST

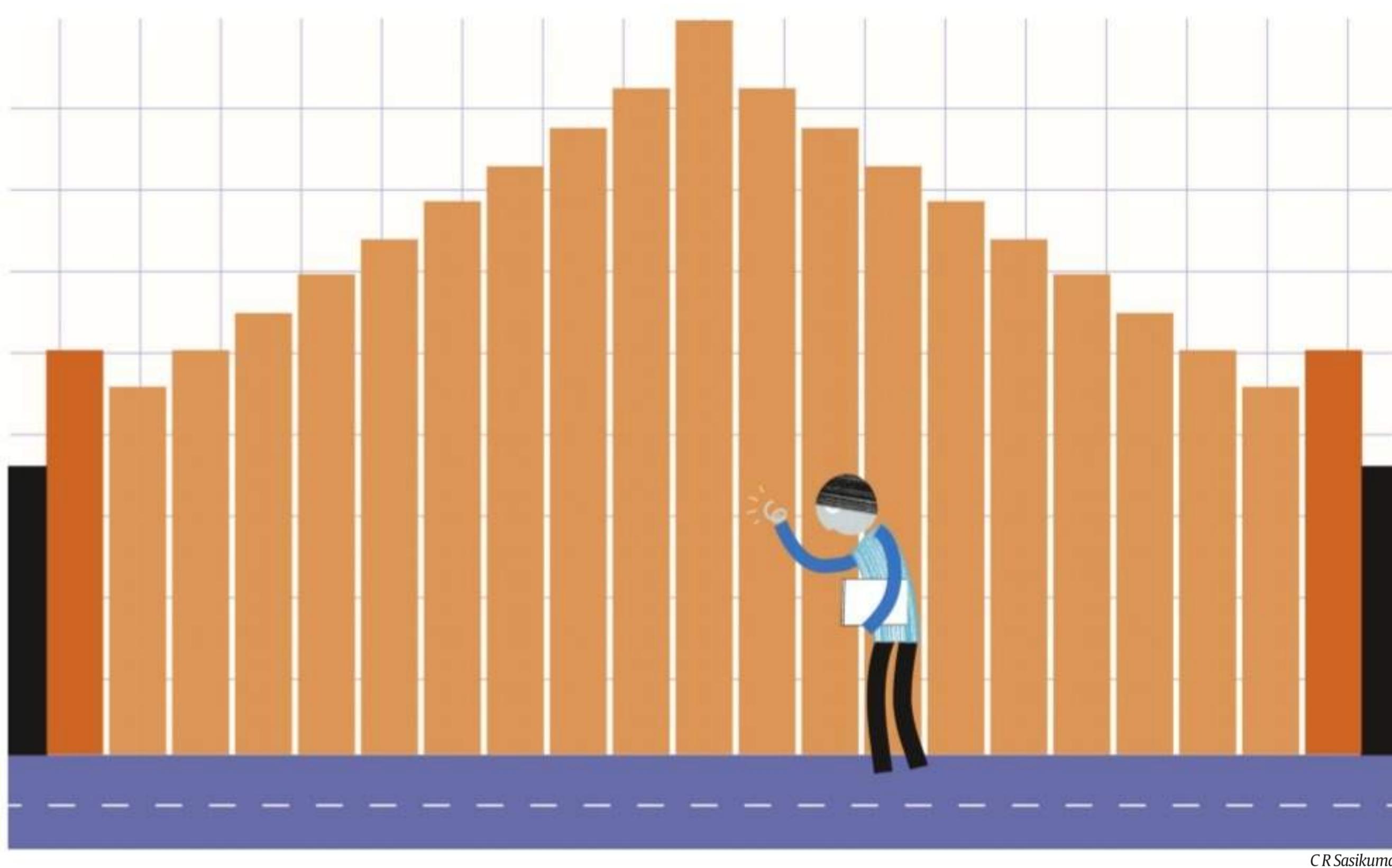
all confidence in the Moroccan ambassador in New Delhi, Abdelhaq Saadani. It has left it to the Moroccan government "to decide whether the ambassador could continue to be effective in India and contribute to the promotion of Indo-Moroccan relations". This follows the "unfortunate" controversy created when the ambassador made a statement commenting on the treatment "of Muslims in India". Saadani had in his statement talked of "inhuman attitude" towards Muslims and alleged "attempts to exterminate Muslims in India".

STATES IGNORE CENTRE

THE STATES HAVE PAID LITTLE ATTENTION TO THE



steps the Centre has suggested from time to time to stall communal incidents. This is the unanimous view of the two central teams which have submitted their reports after visiting 16 communally-prone districts in the country. The home ministry deputed its senior officers to do the job. Reports of the teams reveal that the states have preferred to go their own ways and not bothered to implement the advice the Centre has tendered either during the Janata regime or before. The districts include Meerut and Varanasi in Uttar Pradesh, Mandsaur in Madhya Pradesh, 24 Parganas in West Bengal, Nalgonda and Hyderabad in Andhra Pradesh, Ariah in Bihar and Ahmedabad in Gujarat among others.



C R Sasikumar

A problem of measurement

There is neither credible evidence of a jobs crisis in India, nor of its absence



SHAMIKA RAVI

serious effort by the government to address issues of measurement. In this essay, I will outline what the government needs to do in this regard.

First, measurement of economic indicators, for example the unemployment rate, is an apolitical issue that requires statistical expertise of the highest standards. Before the release of any figure, it is imperative to discuss, debate and deliberate the methodological issues around the measurement. For example, to measure the unemployment rate, it is practically impossible to conduct a periodic census of all citizens above 15 years. Therefore, we have to rely on the second-best option of conducting sample surveys, and the natural question is then about the size of the sample survey. The sample size critically depends on the question of interest, for example, the sample size in the US is determined "on the requirement that a difference of 0.2 percentage points in the unemployment rate for two consecutive months be statistically significant at the 0.10 level". If the objective of the PLFS was to measure changes in unemployment from quarter-to-quarter in urban areas and year-to-year in rural areas, then we need to discuss sampling precisely to gauge these estimates. Therefore, there can be no credible discussion on changes in unemployment from one period to another in the absence of a paper that outlines in detail the underlying sampling methodology. Proprietary databases like the CMIE, which claim to estimate these time trends, have marketed themselves with a complete absence of such methodological requirements, and are hence non-credible.

Second, even if the sample size issue is addressed to minimise what statisticians call sampling errors (the sample size might not be large enough to address the question of interest), there are issues relating to non-sampling errors. This includes non-participation in the survey or refusal to answer some questions or misunderstanding of survey questions. Each of these are important issues and needs to be addressed in the methodology. For example, suppose there is a job boom in the economy and the employed overwhelmingly refuse to participate in such surveys or do not answer all questions, then it is possible for the survey to in-

We know that the nature and incidence of unemployment, for example, differs from state to state. This requires local measures of unemployment so that economic policies can be tailored depending on local conditions. For instance, unemployment is a rural phenomenon in several states, while in others it is concentrated in urban areas. The state governments will have to participate along with the central government to have comparable uniform measures of periodic unemployment.

dicate high unemployment. Therefore, non-participation is an important issue and methodological rigour requires for a survey to have transparent strategies to prevent or minimise these errors.

Third, India is a large, complex and diverse economy that is undergoing structural transformation. Hence, we are moving towards precision policy-making which requires local and real time socio-economic indicators. We know that the nature and incidence of unemployment, for example, differs from state to state. This requires local measures of unemployment so that economic policies can be tailored depending on local conditions. For instance, unemployment is a rural phenomenon in several states, while in others it is concentrated in urban areas. The state governments will have to participate along with the central government to have comparable uniform measures of periodic unemployment. This requires state governments to conduct periodic surveys on the same lines as the central government. Unfortunately, at present, several state governments do not have the capacity to conduct such regular surveys. This, however, is imperative for a large dynamic economy such as ours. Robust statistical systems will require that we begin to create such local capabilities urgently. It is time to move beyond one-size-fits-all solutions to more inclusive solutions that take into account local conditions.

In the end, one cannot help but recall eminent statistician John W Tukey's words in 1949: "It is far easier to put out a figure than to accompany it with a wise and reasoned account of its liability to systematic and fluctuating errors. Yet if the figure is to serve as the basis of an important decision, the accompanying account may be more important than the figure itself."

To enhance India's statistical capabilities, we have to move beyond the politics of it and focus on measuring with precision. Timely estimates are the cornerstones of policy-making in a modern dynamic and an aspirational economy like ours.

The writer is research director, Brookings India and was member, Economic Advisory Council to the Prime Minister

THE Urdu PRESS

MODI'S WIN

ROZNAMA RASHTRIYA SAHARA on May 24 describes the BJP's performance in the election as "a win that is a win". It asks: "Two competitive years are a test of patience for the Opposition parties not have the Muslims and they must realise they are better-stamina and courage that Narendra Modi's self-reliant" did? This time, even the alliance failed —

"*jalwa nahi dikhaye*". In its editorial, the paper writes: "The RSS tried to make its movement, especially in West Bengal. The general points: in UP, Yogi Aditya Prakash has decided India's political future and Nitin Gadkari supposedly made taught the Opposition a lesson once several 'anti-Modi' statements... *baghia faidha* the editorial opines that if this is that 2019 was just about Modi's victory, the opposition is to "survive and preserve them stamped the victory of all NDA allies with they must assess where they failed to face, not the BJP's, and made it clear to the people and seek their help." his success to him."

The editorial says that "one thing is clear"; that "Modi and Shah do not need the Muslim vote. If a 100-crore majority has a two-part editorial on the reports them, why pursue the Muslim vote?" The first part published on May 24 and the second on the following day. It calls the verdict open-hearted and comprehensive success of the "fear of the Gujarat model" and adds that before the

opposition parties figured out their strategy, it was too late. It particularly expresses surprise at the root of the opposition in Karnataka.

The paper writes on May 24 that "when the so-called fourth pillar of democracy — the press — the so-called independent institution set up to control elections, the Election Commission, the bureaucracy and leaders in the armed forces all pledge to make a particular party victorious, all this can shape the minds of the people." It concludes that "it is the country's misfortune that these elections were fought on emotion and by projecting one person as a messiah."

On May 25, the paper writes, "while Modi has called the result a victory for democracy, the result is a call for accountability from the so-called Opposition parties". It goes on to say that "the BJP has scored a great victory, but India's secularism, transparency, tolerance and communal amity has been defeated."

RESULTS PLUS

INQILAB on May 24 writes: "The 2019 results have made it clear that the Opposition has failed to make a place in the hearts of the people or win their trust. PM Modi's magic has felled all. In a democracy, whatever people say

is the last word. And they have spoken for the NDA's glorious return."

Akhbar-e-Mashriq on the same day has an editorial titled, "Ulti ho gayi sab tadbeerein, Himmat nahi tootne chahiye" — all gambits to defeat Modi have failed but people must not lose heart. It calls the UP results stunning and says "it is clear that Modi will be PM till 2024". The paper expresses "surprise" at the results in states where state governments were recently toppled but the most surprise at the West Bengal result. It says: "Mamata Banerjee must realise her party is not invincible."

Mera Watan credits Modi's hard work for the victory and says while the BJP and Modi worked for over three years, the Congress brought in Priyanka Gandhi at the "last minute, to lift their boat, but that did not happen". It terms the victory as one of "Hindu consolidation". It makes a point that Pragya Thakur and Giriraj Singh have won as Modi "who presented his own version of deshbhakti won". It concludes by saying "the elections proved that awaaq-issues (the common man's issues) do not gain traction during elections, only hawa-hawai issues — or airy fairy ones".

Compiled by Seema Chishti

WHAT THE OTHERS SAY

"Have news anchors set a good example? It depends on what happens in the future. We hope people can say 'yes' when they look back someday."

—GLOBAL TIMES, CHINA

Don't blame the mandate

Doordarshan can hardly influence voting, people's aspirations have changed



SWATI PARASHAR

AMARTYA SEN'S post-election analysis published in *The New York Times* and in *The Indian Express* is both puzzling and absurd. To say that the BJP used state power and machinery, including Doordarshan, to its advantage, is a very blinkered view of both history and electoral processes. During the Congress years, all we saw was Indira, Rajiv and Sonia on Doordarshan, so much so that it felt like Doordarshan belonged to the Congress party (read the Nehru-Gandhi family). I know people who are devoted to Doordarshan, who are not Narendra Modi fans, and would not have voted for Modi. On the contrary, many non-Doordarshan watchers, have, in fact, voted for Modi.

Sen also wants us to consider that it is not the election results that matter but how the victors are perceived. He says: "Turning now to the BJP, the winner, it has excellent grounds to be happy with the election results on May 23. And yet, the BJP leadership, and especially its highly talented and exceptionally ambitious top leader, Narendra Modi, have reasons to be disappointed by global reactions to the BJP victory.

There has been widespread criticism in the news media across the world (from the *New York Times*, the *Washington Post*, the *Wall Street Journal*, the *Guardian*, *Observer*, *Le Monde*, *Die Zeit* and *Haaretz* to the BBC and CNN) of the ways and means of securing BJP's victory, including instigation of hatred and intolerance of groups of Indian citizens, particularly Muslims, who have every right to be treated with respect (as under the Gandhi-Tagore understanding)."

I have no idea what kind of colonial logic prompted him to say this. But, if people like him whose voices matter (or not now?) expect that foreign media perceptions should determine how people should think and vote in India, and, how political parties should act or not, then they are part of a problematic ecosystem. Decolonising the minds of public intellectuals and scholars must become a serious project.

Are there no lessons learnt and is there no introspection or sense of humility on part of such critics? The Opposition had neither concrete programmes or alternative politics, nor any charismatic leadership to offer. It was the same old caste and alliance formulas and empty slogans of secularism that they themselves do not practice anymore. The vitriol, masculinity, bigotry and Hindutva did not just come from the BJP. A sufficient dose came from all the Opposition factions. The arrogance of the Opposition parties and their supporters was palpable as they mirrored the very forces that they were contesting against.

Selective outrage from liberal intellectuals never helped their cause.

Sen and others should write obituaries of liberal, progressive thoughts in India, or

even a prognosis of what went wrong and what can be fixed. After all, it is not a good idea to leave these obituaries and the re-thinking of alternative visions to the right wing think tanks. However, an emotional outburst cannot be a substitute for thoughtful election analysis.

A renowned left historian, very arrogantly, not only dismissed and disciplined some of us at a conference on populism, in Delhi last year, but also declared publicly that they had "no respect for KM Munshi or MM Malaviya". When asked whether any introspection was undertaken by the Left, they condescendingly declared, "we have done enough and are broken". Another Indian academic advised their cohorts on twitter, "We need to explain to people why it was important to free this country from the British. Bhakts see the freedom struggle as irrelevant — their struggle, they claim, began when the Muslims came. We can take nothing for granted any more". There was no reflection on who constitutes the "we" and who "the people" are! The people" have stopped listening to pontificating public figures and intellectuals a long time ago. On the contrary, they want them (public figures) to listen for a change. In that sense, we are all responsible for the growing anti-intellectualism. Privilege does not inspire reverence and awe anymore. It is no longer just aspirational.

Voting patterns and voter aspirations have become more complex and they reflect the anxieties of these times. Members of my family voted for the local Congress leader in Jharkhand, only because they wished for a government that could protect public sector enterprises. But Rahul Gandhi was busy sloganising "chowkidar chor hai" instead of talking about policies that would matter on the ground. Another voted for AAP in Delhi only because the candidate was better, but they hoped for a Modi win. Several underprivileged people voted for the BJP, not because their "Hindu minds were hijacked" by BJP propaganda, but because the gas cylinder allowed them to work in one extra house as a domestic help and earn more money.

Muslims in the village in Bihar where my family lives, also celebrated a Modi win, as did many Adivasis in Jharkhand. We cannot understand the Modi phenomenon without a deeper dialogue with the people whose lives are directly affected by those that govern them. Our first conversations must begin in our families and with our friends, many of whom are Modi voters. It is not right to dismiss them as uncouth, intolerant and communal, just because we disagree with their views.

So, Professor Sen, if this were to ever reach you: The voters in my family or in my home states of Bihar/Jharkhand, or all over India, do not worry about what the BBC, *Haaretz* or *NYT* think about the political contenders in Indian elections. They have voted based on their own perceptions and worldviews, accepted the verdict and are moving on with their lives. With trepidation, as well as new hopes and promises.

The writer is associate professor in peace and development research, School of Global Studies, University of Gothenburg, Sweden

LETTER TO THE EDITOR

TMC'S TASKS

THIS REFERS TO the editorial, 'What Didi does' (IE, May 30). After his victory in the General Elections, the prime minister said that there are two classes: "Haves" and "Have nots". Both need to be taken care of for development and growth. Mamata Banerjee needs to remember that the protests she led in 2008 paved her way to power in West Bengal and led to the move of the Tata Motors' Nano project to Gujarat. The present PM was then the state's chief minister. But in the run up to the elections, TMC flaunted the presence of Tatas in West Bengal. Such changes in position does not seem to have done the party any good.

Krishan Kumar Chug, New Delhi

CHECK HUAWEI

THIS REFERS TO the article, 'The Huawei bogey' (IE, May 28). India must car an independent policy discourse as far as legitimising the Chinese telecommunications giant Huawei's safety assurance is concerned. But the large-scale global scrutiny and backlash against Huawei's safety, which is evident from Australia and New Zealand banning it from supplying 5G communication networks and the UK ordering an inquiry, cannot be seen as knee-jerk reactions caused by US pressure. In early April, TRAI had issued a notice which said it is the duty of the government to scrutinise Huawei. The new government must act on it.

Pranay Kumar Shome, Kolkata

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

BREXIT TURMOIL
THIS REFERS TO the editorial, 'A crisis called Brexit' (IE, May 28). Theresa May who rode the Brexit tiger to 10 Downing street is finding out that the only way to dismount it is by jumping off into political oblivion. There is a lesson for Britain here: The country should not have relied on a referendum — decided by a thin majority — to ascertain the mood of public. Other mechanisms should have been explored.

Bholey Bhardwaj, Mumbai

What's on table for key ministries

Some existing challenges, some emerging ones for four key ministries — Finance, when an economic downturn looms large; Defence, in the wake of a strong majority won on the plank of national security; External Affairs, which leave India with a balancing act to do; and Home, with its diverse security concerns



Prime Minister Narendra Modi with his Cabinet colleagues (from left) Rajnath Singh, Amit Shah, Nitin Gadkari, and Sadananda Gowda at the swearing-in ceremony on Thursday. Renuka Puri

MINISTRY OF DEFENCE

New equipment, bigger budget key

SUSHANT SINGH
NEW DELHI, MAY 30

ONE OF the new Defence Minister's biggest challenges is of modernisation, with the armed forces struggling with vintage equipment. This was evident when the Indian Air Force got 36 Rafale fighter jets when it sought 126 aircraft; it is now down to 30 squadrons of fighter aircraft against an authorisation of 42 squadrons. The Navy, overstretched with new responsibilities, needs major accretion to its fleets. The Army has started procurement of modern rifles, and some of its arms, artillery, and air defence in particular, just cannot operate in today's environment with its current state of vintage platforms.

Need for funds

Modernisation of armed forces needs a two-pronged solution. The first is that more funds need to be allocated for defence. The defence budget had whittled down to its lowest ever levels as a percentage of the GDP at 1.4%. While India remains the second largest importer of defence equipment, it also needs to produce more military platforms indigenously. The Make in India programme and the Strategic Partnership model of the previous NDA government need to be energised and made to deliver results.

The previous NDA government had also started working on higher defence structures, tweaking the organisations to bring greater coordination between various ministries. These had increased the role of the NSA in decision making on national security and that role could be further institutionalised.

Greater integration

The restructuring of the Army, as proposed by the current Army Chief, General Bipin Rawat, would also need to be approved and pushed through by the Defence Ministry. Along with it, the integration of the three defence services and improving 'jointness' in military operations will need to be pushed with greater vigour, to make the armed forces lean, mean and effective for the current challenges.

AANCHAL MAGAZINE

NEW DELHI, MAY 30

AS THE country heads into an economic downturn, the new government's focus would be on reviving consumption demand, pushing investments and exports, and resolving the liquidity issues in the financial sector to help India get back on the 7%-plus growth trajectory in the long term.

Shadow of slowdown

Leading indicators have already started to reflect the slowdown, with a downward slide visible in the factory output measured by the Index of Industrial Production (IIP), which contracted to a 21-month low of 0.1% in March on the back of weak investment and consumption demand. For the 2018-19 financial year as a whole, IIP growth stood at 3.6%, much lower than the 4.4% recorded in the previous financial year.

Growth in corporate earnings fell to a six-quarter low of 10.7% in the January-March quarter on weakening consumer sentiment and softening commodity prices, rating agency ICRA said, citing a sample of over 300 companies.

"The signs of slowdown in domestic demand are visible both in urban and rural areas," the Federation of Indian Chambers of Commerce and Industry (FICCI) said in a statement earlier this week, while submitting pre-Budget petitions to the Finance Ministry.

GDP data for the January-March quarter, and provisional estimates for the 2018-19 fiscal are scheduled to be released on Friday, and are expected to show a loss of momentum in India's growth.

Reviving investment

The slowing consumption story and subdued growth in exports are expected to keep

MINISTRY OF FINANCE

Investment and liquidity concerns as slowdown looms

the country's growth rate under pressure in the coming months. The automobile sector has been witnessing subdued growth; the passenger car segment declined 16% in April 2019. The FMCG sector, too, has been seeing a slowdown in volume growth.

Economists say India's growth story, which has gained from growth in consumption demand, has now taken a hit because demand, especially rural demand, has crumbled. Pronab Sen, Country Director for the India Programme of the International Growth Centre and former Chief Statistician of India, said cash transfers through PM-KISAN could help restore some rural demand.

The weakening demand will make investment hard to come by in the near future, Sen said. Both corporate and non-corporate investments have slowed, he said:

"Everybody is concerned that corporate investment has started to weaken, but the bigger problem to my mind is non-corporate investment has been down for the last two years. Why aren't we talking about that?

What do we need to get non-corporate investment? Those are actually the investments that create jobs."

Addressing liquidity issues

Apart from the revival of investment and demand, other key elements in the process of revival will be measures to resolve liquidity issues from the Reserve Bank of India, along with speeding up the bad loan resolution process under the Insolvency and Bankruptcy Code (IBC).

The IBC was the most significant financial sector reform of the Modi-I government, aimed at speedy resolution of stressed assets of more than Rs 10 lakh crore. While a recovery rate of around 43% points to early success of the law, delays in successful resolution in nearly 48% of cases has been a concern.

Addressing liquidity issues of the Non

Banking Financial Companies sector is expected to be another priority. A number of NBFCs have stopped fresh loan disbursements, and many are on the verge of defaulting on repayments. Economists and market experts say that the revival of the NBFC sector is critical for the economy, as they account for a large part of credit disbursal in tier-II and tier-III towns.

Financial sector entities including NBFCs, mutual funds, and corporate-focused lenders have faced liquidity challenges since September last year, after the IL&FS group started defaulting on its aggregate debt of over Rs 90,000 crore. The situation has worsened over the last month after rating agencies started downgrading debt papers issued by NBFCs, weakening their ability to raise funds.

Raising tax revenues

As consumption is curtailed, tax revenues are expected to take a hit. Government expenditure after the elections will require a commensurate growth in revenue collections, an area where the government struggled in the previous financial year. Both direct tax revenue and Goods and Services Tax (GST) revenue have fallen short of the revised Budget estimates for 2018-19 by at least Rs 1 lakh crore. Going forward, meeting the already declared direct tax targets for this financial year is going to be a challenge, which could prompt the Tax Department to scale down its targets in the full Budget for 2019-20 that is expected to be presented in mid-July.

On the GST front, the focus will be more on boosting compliance and simplification than tweaking tax rates. Any major change in tax rates, or a merger of slabs, is expected to be taken up only next year, given the possibility of revenue losses. A move could be made towards including some items that are currently out of the ambit of GST, such as natural gas and aviation turbine fuel.

MINISTRY OF EXTERNAL AFFAIRS

Both opportunities and challenges

SHUBHAJIT ROY
NEW DELHI, MAY 30

AMONG the main challenges of the new External Affairs Minister will be to balance India's relationships with the United States and Iran — a dilemma that will need debate, discussion and thought. There will be several other issues to manage, both in India's neighbourhood and beyond.

NEIGHBOURHOOD: The challenge with Pakistan will be to open a window of opportunity while maintaining the official position that talks and terror cannot go together. With Bangladesh, the goal will be to build on the successes of the past five years. The new Minister will also have to invest in the relationship with Nepal and the Maldives, and in BIMSTEC as a whole, which the Prime Minister has indicated as a priority.

CHINA: There are a host of unresolved issues with Beijing, including the border dispute. The Ministry of External Affairs under its new leadership will have to coordinate with the Prime Minister's Office and other government agencies to craft a coherent strategy towards managing the relationship. While the informal summits between the PM and the Chinese President will set the course, the Foreign Minister has to fill in the crucial gaps.

US & RUSSIA: While the relationship with the US is robust, contentious issues include trade and H1B visas, besides Iran. Potential US sanctions will be a factor as India seeks to enhance its longstanding strategic partnership with Russia, especially in defence, nuclear energy and space.

MIDDLE EAST: New Delhi has reached a solid footing in its relationship with the Gulf countries as well as Israel in the last few years. Eight million Indians live and work in the Middle East, and the region is key to India's energy security. The new Minister will have the task of keeping India's relationships insulated from rivalries of the region.

MULTILATERAL GROUPINGS: As India takes up a wider global leadership role in the G-20, SCO, BRICS, RIC, India-ASEAN, India-Africa Forum, a whole range of relationships will have to be pursued, with India's core national interests on top at each of these groupings.

MINISTRY OF HOME AFFAIRS

J&K, N-E priorities; focus on pressing ahead with gains against Maoists

DEEPTIMI TIWARY
NEW DELHI, MAY 30

ONE OF the first challenges that the new Home Minister will face is the conduct of peaceful elections in Jammu & Kashmir, which has seen unprecedented violence of late. Governor Satya Pal Malik dissolved the Assembly last November, and the Election Commission is waiting for the Home Ministry's signal to schedule elections in the state.

The challenge in J&K

Elections to the Assembly could not be held along with those to Lok Sabha because of concerns over security, and issues of logistics around the availability of forces. The Home Ministry is of the view that elections should be held after the Amarnath Yatra in July-August; they could, therefore, be scheduled in September.

However, violence in J&K generally peaks between April and October. Since the security forces killed the Hizb-ul-Mujahideen commander Burhan Wani in July 2016, the state has been caught in an endless spiral of protests and violence, with increasingly larger numbers of local youths joining militancy.

Only 16 young men had joined the ranks of militants in 2013; this number rose to 88 in 2016, and to 126 and 191 in 2017 and 2018. The government's muscular policy in Kashmir has so far not resulted in a reduction of violence.

Despite all efforts to plug the borders, infiltration from Pakistan and Pakistan Occupied Kashmir too, has gone up. The number of terrorist infiltrators rose from 119 in 2016 to 143 in 2018. The increased infiltration was reflected in frequent encounters, in which security forces killed 244 terrorists in the Valley in 2018. The corresponding figure for 2016 was only 135.

Security forces, too, have suffered losses. More than 200 security personnel have been killed in Kashmir since January 2018, including those targeted in the February 14, 2019 Pulwama terrorist attack. In 2016, 171 security personnel had died fighting terrorists.

The Lok Sabha polls saw the lowest voter turnout in the Valley since 2002, ranging from about 2% in Shopian and Pulwama segments of Anantnag to 34% in Baramulla. Among the big tasks of the Home Ministry will be to start engagements that can initiate legitimate political processes in Kashmir, with increased participation. The Ministry has so far not gone beyond the security-related approach to a co-

hesive and comprehensive policy in Kashmir; the Centre's interlocutor Dineshwar Sharma is all but defunct, and there is no roadmap for robust political engagement on the table.

Militancy and NRC in N-E

The other priority area will be the Northeast. While the government claims to have brought violence down by 85% since the 1990s, the Naga Peace Accord is yet to be concluded four years after the signing of the framework agreement. Of late, there have been standoffs between NSCN-IM cadres and security forces; and an MLA of the regional National People's Party (NPP) was

killed by suspected NSCN militants in Arunachal Pradesh last week.

While the anti-talks faction of ULFA led by Parvez Baruah has been significantly weakened, it continues its violent activities, and Baruah remains firm on staying away from negotiations.

The controversy around the National Register for Citizens continues. The task of ensuring that no Indian citizen is excluded is huge and complicated, and the Home Ministry is yet to deliver a streamlined solution.

Consolidating LWE gains

Over the next five years, the government

will be hoping to make a final push to defeat Left Wing Extremism (LWE). Despite the intermittent attacks on security forces, the overall violence has come down, and last year, the government removed 44 districts from the list of those affected by LWE. Maoist influence in Andhra Pradesh and West Bengal has been reduced significantly, but challenges remain in Chhattisgarh, Odisha, Jharkhand, and Bihar.

The Home Ministry will focus on faster delivery of infrastructure projects such as roads and mobile phone towers. Ministry data show that in the first phase of a project aimed at improving cellphone connectivity, 2,329 towers were erected in Maoist-affected areas, including 816 in Jharkhand and 519 in Chhattisgarh. The government plans to erect another 4,072 towers in the second phase of the project.

Of the 5,422 km of roads sanctioned in the first phase, 4,544 km have already been built. Work on the second phase — 5,411 km at an estimated cost Rs 10,780 crore — will begin soon.

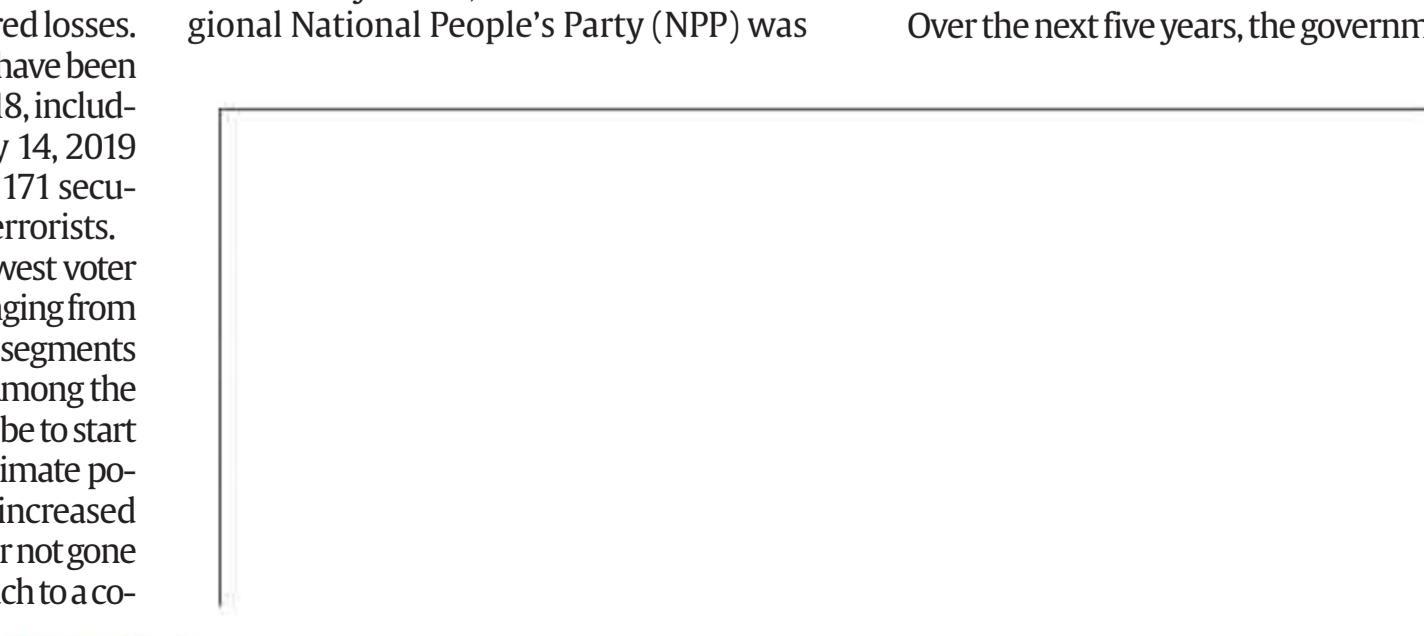
Maoist activities in some new districts of Kerala, Madhya Pradesh, and Andhra Pradesh, too, present a challenge to the Home Ministry.

Terrorism; pending projects

The Easter bombings in Sri Lanka show that the Islamic State could have reached close to India. Security agencies have arrested more than 100 individuals since 2014 for alleged association with the IS. In August 2018, the National Investigation Agency (NIA) busted an alleged IS module in Hyderabad, bringing to an end a relative lull in the activities of the terrorist group over a 10-month period that began towards the end of 2017. Some 20 alleged IS operatives have been arrested since then.

Over the past few years, the government has created several new divisions in the Home Ministry, including those dealing with Women's Safety, Counter-Terrorism and Counter-Radicalisation, and Cyber and Information Security. These divisions are yet to show substantive results, and need more teeth. The Cyber and Information Security Division was among the worst performers in the last financial year, managing to spend only 47% of its budget.

The Ministry will also be hoping to fully operationalise at the earliest the indefinitely delayed Crime and Criminal Tracking Networks and Systems (CCCTNS) and the National Intelligence Grid, or NATGRID.





Capital buffers

The RBI's draft norms for non-banking financial companies are timely

Non-banking financial companies, already reeling under a painful liquidity crisis, are up against a fresh challenge in the form of new regulatory norms set by the Reserve Bank of India. The central bank has released draft norms on liquidity risk management for deposit taking and non-deposit taking NBFCs. According to these proposed rules, NBFCs would have to comply with a higher liquidity coverage ratio (LCR), which is the proportion of assets that an NBFC needs to hold in the form of high-quality liquid assets that can be quickly and easily converted into cash. The new norms, which are expected to be implemented by the RBI over four years starting from April 2020, would likely put significant pressure on the margins of NBFCs. Under these norms, NBFCs would have to maintain their LCR at 60% of net cash outflows initially, and improve it to 100% by April 2024. If the norms are implemented, NBFCs may be forced to park a significant share of their money in low-risk liquid assets, such as government bonds, which yield much lower returns than high-risk illiquid assets. The strict norms have to be seen in the context of the present crisis where even prominent NBFCs are struggling to meet their obligations to various lenders.

While the profit outlook and other short-term financial metrics of NBFCs may be affected by the norms, there are good reasons to be optimistic about their long-term impact on the health of NBFCs and the wider financial sector. NBFCs, which are in the business of borrowing short term to lend long term, typically run the risk of being unable to pay back their borrowers on time due to a mismatch in the duration of their assets and liabilities. This is particularly so in instances where panic sets in among short-term lenders, as happened last year when lenders, worried about the safety of their capital, demanded to be paid back in full. In other words, NBFCs rely heavily on short-term lenders rolling over their loans without fail in order to avoid any kind of liquidity crisis. The new norms would discourage NBFCs from borrowing over short term to extend long-term loans without the necessary buffer capital in place. This could compel NBFCs to shrink the scope of their lending from what it is today, but it would save them from larger crises and significantly reduce the need for the government or the RBI to step in as the lender of last resort. Undeniably, NBFCs have done a tremendous job in recent years in widening and deepening access to credit by taking a share from the public sector banks, which have been severely affected by the bad loans crisis. However, the latest liquidity norms for NBFCs are still necessary to ward off systemic crises.

Changing the earth

The move to recognise the Anthropocene as an epoch is a caution to humanity

The pervasive and persistent signatures of modern human activity on the earth have been so striking that they are set to be officially recognised and named as a new geologic epoch. On May 21, the Anthropocene Working Group (AWG) overwhelmingly voted to recognise Anthropocene as an epoch. The vote gives form to the efforts of scientists, notably the Nobel Laureate Paul Crutzen and Eugene F. Stoermer, who coined the term in 2000 to highlight how human activity had changed many facets of the earth. So overwhelming is the concept of the Anthropocene that it got mainstreamed in scientific and general literature years ago. The AWG vote is a sobering reminder to humanity that failure to end destructive activities will irrevocably change the face of the earth and make it uninhabitable. Officially, humans will continue to live in the Holocene epoch for a couple of years more before the Anthropocene epoch is finally ratified by the International Union of Geological Sciences. The vote by the working group will contribute to the formalisation of the Anthropocene as a stratigraphic entity on a par with other geologic epochs. But unlike the others, it will be the first time that the beginning of an epoch would be based on human activity and not the consequences of changes brought about by nature. For instance, the start of the Holocene epoch 11,700 years ago marks the end of the transition from the last glacial phase to a period of warming and a rise in sea level. Human activity has been drastically changing the earth, with the greatest impacts coming from agriculture, large-scale deforestation, the industrial revolution and increase in atmospheric carbon dioxide, besides the creation of materials such as concrete and plastic. However, the working group voted to look for unique signatures around the 1950s to define the start of the Anthropocene.

A decrease in deuterium excess, a proxy for climate change, owing to the reorganisation of North Atlantic Ocean-atmosphere circulation was a definitive geologic marker, or golden spike, to signify the base of Holocene. Now, radionuclides from atomic bomb tests from the early 1950s are emerging as a favourite golden spike candidate to define the base of the Anthropocene. To be chosen as a geologic marker, the golden spike must be present globally across most environments and must be a part of deposits for a geologically significant length of time. Thus, plutonium isotope Pu-239 with a half-life of 24,110 years will remain detectable for more than 1,00,000 years and continue to exist as uranium 235 when Pu-239 decays. The next task is to find a single site from among the 10 sites chosen across the world for inclusion in the formal proposal. Here, coral reefs and Antarctic glacial ice located far from nuclear detonation test sites might be more suitable as they would not reflect any local spike but a global distribution pattern.

Bills of rights for the vulnerable

Why the second Modi government should send lapsed legislation back to the drafting stage



GAUTAM BHATIA

Towards the end of the previous government's tenure, a number of controversial bills were introduced in Parliament. Political imperatives ensured that they were not, ultimately, enacted into law: some were stalled in the Rajya Sabha after being passed by the Lower House, while in other cases, the government itself decided not to proceed with them. With the dissolution of Parliament, these bills lapsed; however, with the 2019 general election yielding a decisive mandate in favour of the ruling Bharatiya Janata Party (BJP), the attention will undoubtedly turn to whether the new government will attempt to revive some aspects of its erstwhile legislative programme.

The problematic social bills

In the social sphere, the government introduced the Transgender Bill, the Surrogacy Bill, and the Trafficking Bill. In each of the cases, the draft legislation was – correctly – introduced with the aim of addressing an existing lacuna in the legal landscape. The recognition of transgender rights by enshrining them in law had long been a demand of the community; the legal regulation of surrogacy and the tackling of trafficking as well arose out of the articulated claims of grassroots social movements, debated and framed over many years of engagement and activism.

However, when it came to the content of these bills, consultation with impacted communities was

effectively eschewed, and the result was a set of drafts that, far from protecting rights, actively harmed them. Unsurprisingly, therefore, the draft bills were met with a spate of objections and protests. For example, the Transgender Bill did away with the fundamental and non-negotiable principle – and one recognised by the Supreme Court in its NALSA judgment – of the right to self-determination of gender identity. Instead, it placed such decisions in the hands of government-appointed committees, extending state control over gender identities rather than liberating or emancipating them. It also contained deeply suspect provisions on gender reassignment surgery.

Similarly, the Surrogacy Bill excluded LGBT individuals from its ambit (despite their recognition as equal citizens under the Constitution by the Supreme Court), imposed discriminatory age restrictions upon men and women, and by entirely outlawing "commercial" surrogacy (instead of regulating it with appropriate safeguards) opened up space for underground and unreported exploitation of women, effectively creating a black market.

Lastly, the Trafficking Bill criminalised begging without providing any manner of effective alternatives and failed to distinguish between non-consensual trafficking and consensual sex work. It thus opened the door to criminalising livelihoods on the basis of what was effectively a set of narrow, moral objections.

Thus, what united these three problematic bills were the following aspects. First, each of them dealt with intimate subjects such as individuals' decisions of what to do with their body, personal dignity and autonomy, and gender identity. Second, they concerned



the rights of some of the most vulnerable and marginalised members of our society. Third, they were drafted without adequately consulting with, or listening to, the members of the communities who were impacted. Fourth, instead of guaranteeing and securing the rights of these communities to be free from state interference, they extended the state's control and domination. And last, they were met by extensive and widespread protests from the communities themselves.

The Citizenship Bill and NRC

The government also attempted to enact the Citizenship (Amendment) Bill into law – an attempt it was forced to abandon when its own allies protested against it. Advertised as a measure for benefiting the vulnerable and the marginalised, the bill would have granted fast-track to citizenship to persecuted minorities from neighbouring countries, who were Hindus, Sikhs, Jains, Buddhists, Parsons, and Christians – but not Muslims. This was, at a very basic level, illogical and self-contradictory, apart from being clearly discriminatory on grounds of religion: the examples of the Ahmadiyyas and the Baloch in Pakistan make it clear that, just like any other identity, there are communities of Muslims in neighbouring countries who face persecution on the basis of their religious

beliefs. Had the bill been enacted, therefore, it would undoubtedly have been challenged in the courts and tied up for a long while in litigation. However, strong movements in the northeastern States – concerned both about the demographic consequences and the anti-secular nature of the bill – ultimately forced the government to not go through with the legalisation.

At the same time, however, the Supreme Court-driven National Register of Citizens (NRC) process in Assam became a significant aspect of the ruling party's election rhetoric during the recent campaign, with some senior party figures stating that they would replicate the NRC process for the whole of India. Apart from the principle of it – there is something particularly repugnant over placing the entire country under a presumption that they are interlopers, unless they prove otherwise – such a move would be a nightmare of administration and implementation, as the example from Assam has shown. There has been considerable – and continuing – confusion over the methods and form of identity that one can use to "prove" one's citizenship (including "family trees"), which have been found to have a disproportionate impact upon vulnerable and minority claimants).

The overlapping functions of the NRC process and the Foreigners Tribunals have added to the confusion, the "objections" process has been openly and publicly abused by individuals in order to harass NRC applicants (what they have called "collateral damage"), families have found themselves bizarrely separated from each other in the NRC, and there have been reports of suicides after each round of the draft.

When this is all happening in

Assam, one can imagine the consequences of an attempt to scale it up to the national level. And as a backdrop to the debate, it is important to remember that there is no credible evidence to demonstrate that there actually is large-scale, illegal immigration taking place in India. Therefore, apart from being constitutionally suspect, a massive waste of resources, and a gateway to triggering violence, it is unclear why there even exists the need for such a step.

What lies ahead

It is trite to say that a general election confers a mandate upon the incoming government to legislate in the manner that it deems best and in the public interest. While the government is, of course, entitled to frame its own policies, and draft and implement legislation to enact those policies, there are certain constraints upon how it *should* go about that task. At the minimum, the voices of those who will be directly impacted by the policy should be listened to and engaged with in good faith, and basic constitutional principles and values ought to be respected.

The last phase of the previous government's tenure presented a number of examples where these constraints were insufficiently complied with, and the resulting bills would therefore have ended up harming those whose rights they were meant to protect, apart from falling foul of crucial constitutional rights. It is to be hoped that these lacunae and shortcomings are remedied by the continuing government in power. Apart from the courts, however, this would need a sustained public movement around these issues, which can make its voice heard in the halls of power.

Gautam Bhatia is a Delhi-based lawyer

Season of populist discontent

Elections worldwide show that liberal democracy cannot be taken for granted



KRISHNAN SRINIVASAN

Over the past few months it has been a season of elections. The word populism has been much used, though never clearly defined, and it becomes necessary to fall back on the dictionary meaning – 'various, often anti-establishment or anti-intellectual political movements that offer unorthodox political policies and appeal to the common person'. The election result in India has been greeted with predictable hostility in the British and U.S. media, with commentators, often of Indian origin, scorning the electorate's decision and accusing Prime Minister Narendra Modi of populism, majoritarianism and failure to deliver on promises. These analysts clearly want India transformed into a mirror image of the subsiding Western liberal democratic model.

The European transformation
It is in Europe that the populist nationalist trend is most pronounced. In Ukraine, Volodymyr Zelensky, whose political experience is confined to portraying a president on TV, beat the incumbent by winning over 70% of the vote to become the head of state.

The Italian Five Star Movement, founded by comedian Beppe Grillo, is in a government coalition with the far-right Lega Nord, and

His new political party, Servant of the People, will now contest elections to Parliament. President Emmanuel Macron of France brought a new party called Republic on the March into office with him. Nigel Farage, an ardent champion for Britain leaving the European Union, launched a new party called Brexit Party to contest European Parliament elections, and in France Marine le Pen rebranded her party 'National Rally'. The changes of name are to distance the new entities from the well-established parties of the centre-right and centre-left.

In Spain this April, despite bitter memories of dictator Francisco Franco, the far-right Vox party won nearly 10% of the vote. In the Philippines, President Rodrigo Duterte, condemned in the West for authoritarianism and abuse of human rights in dealing with drug users and traffickers, has swept the mid-term polls, enabling him to restore the death penalty. Newly-elected Brazilian President Jair Bolsonaro has made common cause with U.S. President Donald Trump against immigration, climate change, abortion and gun control. Prime Minister Viktor Orban of Hungary, presenting himself as the defender of Hungarian and European values, secured a third term last year for his party Fidesz.

The Italian Five Star Movement, founded by comedian Beppe Grillo, is in a government coalition with the far-right Lega Nord, and



Deputy Prime Minister Matteo Salvini has emerged as a powerful personality in trying to unify right-wing parties across Europe, including Austria, Denmark, Germany, Sweden, Estonia and Finland, with some success. The Dutch provincial elections saw the newcomer Forum for Democracy win most seats.

Mr. Salvini has pledged to change the European Union (EU) by making the populist alliance one of the largest groupings in the European Parliament. This group, seeing the chaotic process of Britain leaving the EU, prefers instead to stall any reforms proposed by France and Germany, and to change the EU from within. Its stated aim is to regain sovereignty for their countries, take back the power to make their own rules and control their borders. With typical bravura, Mr. Salvini described the European Parliament elections as a "referendum between life and death".

Enthusiastic voters
These populist parties have internal differences on free trade, fiscal

responsibility and dealings with Russia and China. It is of little consequence that they hold different positions; this is about political marketing, presenting an alternative to current Europe, and obtaining power in the European institutions. The populist surge has squeezed the traditional political parties; only the populists seem to be able to light the fire of enthusiasm among voters. The elections for the European Parliament for the first time became national rather than purely European; all the top leaders were involved, including the British political bosses, ironically when the country is on the cusp of leaving the EU. The overall EU voting turnout of 51% was the highest for two decades.

The results announced on May 26 showed the traditional centrist parties losing ground, nationalist-populist parties gaining, and the Greens and Liberals also doing well across Europe. No group appears to be able to dominate the agenda. It will be harder for the European leaders to manage the Parliament or the European Commission, and reformers like Mr. Macron will have to lower their ambitions.

The EU is a hybrid confederacy where political fragmentation and polarisation have reached serious proportions. The public are abandoning mainstream political parties because they feel that existing political and economic systems have failed. After the global financial crisis of 2008, for which bank-

ers were responsible but none were punished, the implicit Western social contract that promised equal opportunity and rising incomes for both elites and masses is discredited. While financial corporates benefitted hugely from globalisation, the working class lost jobs in global competition. In the U.S., the average income of the bottom half declined, while the average income of the top 1% was 138 times higher than the bottom 50%.

Basket of anxieties

The democratic insurrection seen in recent elections is a sign of acute concerns about globalisation, corruption, immigration, alienation, dilution of national identity, social injustice and economic inequality. The conclusion is that liberalism and liberal democracy cannot be taken for granted; Western democracy, the flagship model which prolonged its career through widening the franchise and the empowerment of women, is now heading for a long decline. Economic redistribution of wealth is the answer to the dilemma confronting liberal and inclusive societies. Economists from Adam Smith to Thomas Piketty have stressed that an economically equal society is a contented society. Prime Minister Narendra Modi and his Ministers must now take heed and bend themselves urgently to this task.

Krishnan Srinivasan is a former Foreign Secretary

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.

The troubleshooter

It is unfortunate that Arun Jaitley won't be a part of this government ("Citing ill-health, Arun Jaitley opts out of ministerial position," May 30). This will be a great loss to the BJP as he was the party's main troubleshooter. His tenure as Finance Minister will be remembered for the implementation of key reforms like the Goods and Services Tax and the Insolvency and Bankruptcy Code. We pray for his quick recovery and return to office.

VIDHYA B. RAGUNATH,
Thanjavur

Mr. Jaitley's defence of

demonetisation and the murky Rafale deal went a long way in helping the government save face. It is unfortunate that at a time when his services are required by the new government to set right its past blunders in the financial and economic arenas, he has decided to call it a day.

THARCIUS S. FERNANDO,
Chennai

No redress mechanisms
This incident reminded me of the mental harassment I faced during my stint as a DNB trainee in a trust hospital in Mumbai which led to my resignation from the post ("2 more held for

abetting suicide of Mumbai doctor," May 30). I highlighted this fact to multiple functionaries, including the director of the governing body, but no action was taken against the erring senior doctors or the institute. It is important to recognise that region-based, caste-based and religion-based harassment are everyday occurrences and there are no redress mechanisms available to students who face such discrimination.

RAHUL D. ARORA,
New Delhi

Religious divide
The Lokniti post-poll survey indicates that the majority

of Hindus support the BJP while the minorities don't ("The verdict is a manifestation of the deepening religious divide in India," May 30). While the NDA has reasons to celebrate its astounding victory in the election, it is shocking to see how polarised India has become. We need to think about how we arrived at this juncture. One hopes that political parties will refrain from further dividing the nation in the name of religion for petty political gains.

V. SHUAJAH AHMED,
Anbar

Many minorities do not

take Prime Minister Narendra Modi's catchphrase 'sabka vishwas' seriously. BJP leaders use it to gloss over the party's strident stand on linguistic and religious minorities. If the stray incidents of violence against Muslims on the heels of the party's victory are anything to go by, things are not likely to be any different in the next five years. Second, the BJP's oft-repeated criticism of vote bank politics doesn't hold water as the party has carved out a mammoth vote bank for itself along religious lines. Third, the survey also shows that polarisation is most where

the proportion of Muslims is high. However, Hindus in the south have voted differently. What explains the lack of consolidation of BJP proportional to the concentration of minorities in Kerala, where Muslims and Christians together constitute nearly 45% of the population? I think this exception is the only saving grace in the election. There is very little to dispute the conclusion of the survey. It basically means we are seeing the demise of secularism.

ABDUL ASSIS, P.A.,
Thrissur

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Is India's growth story plateauing?

PARLEY

A government with a mandate can bring about structural changes needed for economic growth

After a decisive verdict in the Lok Sabha election, Prime Minister Narendra Modi begins his new term faced with the difficult task of reviving economic growth and fixing India's job problem. In a conversation moderated by Anuradha Raman, Rathin Roy and M.R. Madhavan discuss the challenges ahead for the economy and polity. Edited excerpts:

You have been saying that India is going through an economic slowdown. The government, on the other hand, says everything is fine.

Rathin Roy: If you look at the state of the economy, we've had very sound macroeconomics over the last five years. Our fiscal deficits have been reasonably under control. Inflation is low, and the balance of payments problem and current account deficit are also reasonably under control.

I don't tend to get alarmed by short-term ups and downs. The trouble is a more long-term one and it's a bipartisan problem. It's a consequence of the way we have grown over the last 25-28 years, which is that we haven't been an export-led economy and I am presuming that this will not happen in the near future.

But you are not going to make the Indian economy rich by merely exporting. You have got to make it rich by producing what people in India consume. And the trouble is, so far we have been meeting the consumption demands of those who have become more and more affluent over the last 28 years, and that is the top 150 million Indians. When you go to Bombay and look at what they call leading indicators of economic growth, you hear about four-wheelers, two-wheelers, air conditioners and fast-moving consumer goods, but this is not what all of India consumes, it is what some Indians consume. And so far this was okay because 150 million is a big market. It's a bigger market than Germany, so growth was just fine.

But what I am noticing now is that this consumption demand is beginning to plateau. Therefore, we really have to now think about how, without subsidies, the next 200-300 million Indians and their consumption demands can spur growth in the years ahead. And what do they consume? They consume what we consume. A nutritious meal, clothing. They would like to buy one house in their lifetime, they would like decent health and education. So unless we move away from our four-wheelers, two-wheelers and air conditioners-based economy to an economy in which these things are produced at affordable prices, growth will begin to peter out. And I wouldn't like that because there's huge potential in the Indian economy to change the composition of growth such that our growth is sustainable and we complete our development transformation without subsidies. A beginning has been made by thinking about agriculture as a place where we maximise output to doubling farmers' income. That's positive. The NDA government promised affordable housing and healthcare. So I'm quite confident that the sort of plateauing of India's growth story can be avoided if economic actions to do so are put in place.

Affordable housing for all has been a policy of almost all governments in the past. Governments over time have placed emphasis on nutrition and health and we have several programmes targeting the population that is outside the growth story. So, what is different this time?

RR: Until this government increased the scale of it, affordable housing was essentially given to people with a subsidy. Now, here's my proposition. If you're earning, let's say, twice the minimum wage in Delhi, that would mean ₹16,000-₹18,000 a month. Now, if you are earning ₹16,000-₹18,000 a month over a 30-year period, what is the likelihood that you will be able to buy a housing unit with a secure land title and amenities that some would consider minimum for someone with those kind of wages? The probability is very low. There is plenty of land available with the Government



S. SIVA SARAVANAN

of India. But the government has given it away to media companies, group housing societies, clubs. I am saying you take the land and re-purpose its use and provide modest but decent housing to people who earn the minimum wage, through the market without subsidy.

Coming to nutrition, yes, we have talked about nutrition but I challenge any economist in this country to tell me in any part of the country what the non-subsidised price of a nutritious meal is. They won't be able to. That's why this doubling of farmers' income initiative is so important because we are saying okay, if we double farmers' income, then it is reasonable to expect that they won't need subsidies. This is the kind of economic calculus that we have to start doing.

With textiles it is a different matter. Upmarket textiles are mostly made in India. But if you go to Fashion Street [in Delhi] and try and buy a ₹400 shirt, you will discover that it is made in Bangladesh and Vietnam. So why are we uncompetitive compared to Bangladesh and Vietnam? The answer is we are wage uncompetitive. And how are we wage uncompetitive? Wages in U.P., Bihar, Chhattisgarh and Odisha are not much higher than in Bangladesh or Vietnam. But wages in south Gujarat and Tiruppur are higher. So we are not able to make textiles in our country because we are unable to actually locate industries where wages are low. We are also increasing regional inequality because if you ask the question which I often ask, which is that since 1991 what

C You are not going to make the Indian economy rich by merely exporting. You have got to make it rich by producing what people in India consume.

has been the major benefit to eastern U.P., Bihar and Jharkhand, I would say it has been in the migration to the south and west of India. We have to change this. And these structural changes are what I am pointing to as barriers to India's growth story going forward.

So, you say from 1991 respective governments have not really focused on the structural shifts that need to be made to change the growth story? Where does the fault lie?

RR: I don't think that is the right way of putting it. If I go back and break up the objective of the development state in India, I would say that from 1950 to about 1971, the objective was self-reliance and we succeeded. From 1971 to the late 1980s, the objective was to continue with modernisation but also to end poverty and hunger. We succeeded in substantial measure. From 1991 onwards, macro-economic stability became very important as the world globalised and old formulations broke down. So, what we had to do was find our place in the growth story that was consistent with some economic liberalisation which was not terribly iniquitous, and be successful in transforming the lives of

at least the first 150 million Indians. And we did that quite substantially. The period from 2004 till very recently is the period when we tried to recognise that productive inclusion was not happening. Hence we had MGNREGA, Sarva Shiksha Abhiyan. We've had mixed results. This is why I have been uncomfortable with the Nyuntam Aay Yojana (NYAY). The development state needs to continue the business of development. NYAY or universal basic income is not development.

You also mentioned in an interview that if we don't look at these things, we are going to probably end up like Brazil and South Africa.

RR: That was, of course, rhetorical, but I do want to point out something that is not rhetorical. If you look at the history of post-war development, you have Japan, South Korea and now China. You can see how they have transformed the lives of the majority of the population. That's what I call a development transformation. But if you look at countries like Brazil and Indonesia, they have not done so. Despite the per capita income of Brazil being four times that of India's, there is endemic poverty and crime there. So there are two development stories, and a linear growth path may not actually lead to a development transformation. We have to choose in favour of getting productive inclusion into the economy. By that I mean how to get people to participate in growth and what are the factors that inhibit them from taking part... you have to fix that.

How is this huge mandate going to play out in Parliament?

M.R. Madhavan: Clearly, the structure of the Lok Sabha in terms of parties has not had any major change. The BJP had a majority on its own last time. It has a slightly larger majority on its own this time. The NDA enjoys a very comfortable majority now. The largest Opposition party is the Congress and it remains without the post of Leader of the Opposition. What is worrying me – and it has nothing to do with this Parliament or this government or the last government – is the structure that has been built up.

I would say 1985 was the break point when we ended the parliamentary system of the Indian government by passing the anti-defection law. We have a Parliament. We have a set of bosses who tell everybody under them to vote in a particular way in Parliament. The period from 1985 to 1990 was bad. After that we had coalition governments where you needed to convince your allies of what you wanted to do. But in a single majority government, you don't need to convince anybody. So one huge check is gone and this goes against everything that a parliamentary democracy stands for. Why do we have a Parliament? We have it as there is legitimacy when representatives discuss issues in public and reach some sort of a consensus.

There was another check which developed from 1993 onwards. This has disappeared in the last five years. That is the committee system. Committees were behaving in a reasonably non-partisan manner. They were discussing Bills and coming up with good recommendations. They have continued to do that in the last five years but there was one major issue, which is that only 25% of the Bills were referred to committees. When the Bills were referred to them, the committees did a great job. For example, the Insolvency and Bankruptcy Code went to the joint committee. It made a number of changes and all of them were accepted. Committees were performing well. But we are not referring that many Bills to the committees. I hope the new Parliament will look into that. The other check was the Rajya Sabha. That could change in 2021-22 when the BJP/NDA has 45% of the seats.

The primary job of Parliament is to hold the government accountable for its actions. I would say the burden of this will always fall on the Opposition and I hope that they learn something from the British and say, let's form a shadow government. Let's allocate certain people with certain responsibilities. From day one we will focus on our job. Clearly, there are over 350 with the government and we have about 200 in the Opposition, but 200 is not an inconsequential number. Let us at least organise ourselves so that we can hold the government to account for its action. Will they do that?



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M.R. Madhavan
is the president and
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Legislative Research



Scan the QR code to watch the full interview online

SINGLE FILE

The maker of secular India

Though there is overwhelming evidence of Nehru being a decisive leader, he is hardly ever acknowledged as one

UDAY BALAKRISHNAN

In 1938, concluding a report that he made after lunching with Jawaharlal Nehru, the Viceroy of India, Lord Linlithgow, observed, "Judging the man as I found him today I can hardly suppose that he could ever emerge as an outstanding leader of men, much less that he has in him to prove himself a great man of action." Linlithgow was among those who grossly underestimated Nehru.

As Indians paid tributes to Nehru on his 55th death anniversary this week, they remembered him, among other things, for establishing India's space and atomic energy programmes and for setting up the Indian Institutes of Technology and Indian Institutes of Management that make Indians proud. But what is hardly ever acknowledged or accepted is Nehru's decisiveness as a leader.

After being inducted into the Congress party by Mahatma Gandhi, Nehru rose to become its most powerful leader and its sole negotiator of the terms of India's freedom with the British. He ensured India's emergence as a secular state with universal adult franchise and not one that had long been saddled with an electoral system that allowed communal representation, even if that meant conceding Muhammad Ali Jinnah's demand for a separate Muslim homeland.

As Prime Minister, Nehru had a troubled relationship with his powerful Home Minister, Sardar Vallabhbhai Patel, widely credited for integrating the princely states into the Indian Union. Gandhi had to mediate between them. When, with Patel's support, Purushottam Das Tandon – who Nehru disliked for his "obscurantism", "communalism" and "zeal for Hindi" – became President of the Congress, he forced him to resign and proceeded to get himself elected in his place. Nehru stood up for India's Muslims at a time when it was unfashionable to do so and intervened strongly to make sure that Hindi was not forced on the country's non-Hindi speakers. Some of his actions bordered on the undemocratic but in hindsight they were necessary. He retained several of colonial India's repressive laws and never hesitated to use them. He had Sheikh Abdullah dismissed as Kashmir's Prime Minister and imprisoned him for 11 years for conspiring against the state. He had an elected communist government in Kerala dismissed in 1959 and proceeded to quell an insurgency in Nagaland by forcing its leader, Angami Zapu Phizo, to flee the country in 1956.

It is strange then that many, including well-known historians such as Perry Anderson, view Nehru as a waffler in the face of overwhelming evidence to the contrary. But for the decisive way that he repeatedly intervened to preserve the integrity, unity and secularism of a fledgling country, we wouldn't have this India to call our own today.

The writer, a former civil servant, taught public policy and contemporary history at IISc, Bengaluru



THE HINDU ARCHIVES



NOTEBOOK

What's your opinion on elections, cricket and Ranveer Singh?

The art of fielding questions on a range of subjects as a foreign correspondent

MEERA SRINIVASAN

Months ahead of the general election in India, friends in Sri Lanka would eagerly ask me: "So, do you think Narendra Modi will come back?" As someone following the polls only through media coverage in India – some shrill and some sane – there was little I could say that they may not have already known. I did not predict the number of seats the BJP would win or speculate much on how Tamil Nadu might vote. It was not just difficult, it was impossible to sit across the Palk Strait and attempt astute readings.

As avid news trackers, these friends are often disappointed that I have nothing "latest" to add. In fact, often they are the ones alerting me to news breaking in India, or to political analysis that they think offers nuance. One day I got really lucky; I was treated to home-cooked pav bhaji that my friend made virtually from scratch, following a recipe from a big cookery book with glazed pages that lay on his kitchen

string of Assembly elections in 2018, when they wanted State-specific updates and, worse, trends comparing past results. I found it hard to keep up.

I have noticed over the last few years that their interest or familiarity isn't confined to Indian politics. I've got a range of useful pointers from my Sri Lankan friends on lesser known bookshops, quiet cafes and reasonably priced handloom outlets in different Indian cities. I have also received YouTube links – for instance, to a Farida Khanum ghazal, a brilliant rendition by a 'super singer' contestant, and a newly released cover version of an Ilaiyaraaja classic.

And then there's another dimension to this that gets tricky. After a significant development in Sri Lankan politics – be it elections or a political crisis like last year's – some keen analysts of politics and policy invariably ask, "What is India thinking?" They mean the Indian state and mostly the government of the day. "Do you'all support him?" some quiz me on India's position on a political leader. "Can't you all push?" they ask about New Delhi possibly pressuring Sri Lankan polity on delivering on the promised, but much-delayed constitutional reform.

In an extension of this line of thinking, I have even been credited for an Indian government-backed development project. At a recent background briefing with a Colombo-based diplomat, a civil society member was arguing passionately that all that friendly countries do must not be viewed through the geopolitical lens. He spoke of "India's good intentions" in Sri Lanka, pointing to its big housing scheme in the Tamil-majority north and hill country.

Suddenly turning towards me, he said: "You have built 50,000 houses in the north, no?" I had to break it to him. "No, I haven't built a single house."

Interactive: Know your MP

FROM The Hindu ARCHIVES

FIFTY YEARS AGO MARCH 31, 1969

India to get \$45 million aid from Japan

Although Japan did not make any pledge as to its share of contribution for the coming year at the Aid India Consortium meeting in Paris last week, it is understood from qualified Foreign Office sources here [Tokyo] to-day [May 30] that it will again make available the same amount as in previous years, namely \$45 million (Rs. 33.75 crores), all in commodity aid. The sources said Japan's contribution to Pakistan for the same period would also remain constant at \$30 million. However, while there would be no project aid for India, in case of Pakistan, project assistance would continue to be made available within the pledged amount.

A HUNDRED YEARS AGO MAY 31, 1919.

Restrictions on Private Work.

As considerable abuses existed by teachers taking up private work, Mr. C.R. Reddy, Inspector-General of Education in Mysore, issued a circular [from Bangalore] restricting teachers from undertaking private work without the previous sanction of the Inspector-General. Interested criticisms were made against the circular and the matter was brought before the Representative Assembly and the Legislative Council. The Government have now issued a revised circular which will come into force from 1st June next. The circular lays down that no teacher employed in a public institution shall take up private work of any kind, except in the case of a master employed in a Government school, with the express permission of the inspecting officer who conducts the inspection of that school and in the case of a teacher of an aided or Municipal school with the express permission of the Manager of the Municipal Board. Officers empowered to grant permission are expected to exercise the utmost vigilance in seeing that the private work permitted to be taken up does not cause any interference with the professional duties of any kind whether relating to teaching in school, preparation at home or correction of exercises.

CONCEPTUAL Emotional contagion

PSYCHOLOGY

This refers to a form of social influence wherein a person's emotional state can have a significant impact on the emotions of other people as well. Even momentary exposure to negative emotions experienced by others can cause a person's own mood to deteriorate instantly. Positive emotions can also similarly spread quickly among people. It is believed that such emotional contagion is often subconscious in nature and is caused by the triggering of mirror neurons within the brain. There are various theories to explain the phenomenon. Some believe that the mimicking of emotions can help people empathise with each other.

MORE ON THE WEB

Interactive: Know your MP

<http://bit.ly/KnowyourMP>

A ND-ND

हर
भारतीय को यह
यदि होना चाहिए कि इस
देश में हर अधिकार निमेगा
पर उसे कुछ निमेतारिया भी
निभाना होंगी।
- सरदार पटेल



नरेंद्र मोदी की दूसरी पारी में मंत्रियों के चयन में योग्यता, विशेषज्ञता और गठबंधन धर्म को जहां तरजीह दी गई है, वहीं अमित शाह और एस जयशंकर का मंत्रिमंडल में शामिल होना भी गौर करने लायक है।

प्रधानमंत्री

नरेंद्र मोदी के नेतृत्व में एनडीए की पहले से भी ज्यादा बड़े बहुमत के साथ केंद्र की सत्ता में वापसी जितनी ऐतिहासिक रही है, मोदी के मंत्रिमंडल में अनुभव, वेशवराना

गुण, वरिष्ठता, विशेषज्ञता, जातिगत और लैंगिक संबंधन तथा गढ़बंधन धर्म के बीच समन्वय संस्थान की कोशिश भी उत्तरी ही गौर करने लायक है। हालांकि जद्युत और अनन दल के सांसदों की मंत्रिमंडल में मौजूदगी नहीं है, लेकिन एनडीए की विराट जीत के संदर्भ में इस हकीकत को समझा जा सकता है। गौर करने लायक है कि नरेंद्र मोदी की इस दूसरी पारी में सकारात्मक अरुण जटीली नहीं है, जिन्होंने मोदी को पहली

सरकार में वित्त मंत्री के तौर पर शानदार काम किया था, लेकिन स्वास्थ्य कारोंगों से इस बार मंत्री पद की जिम्मेदारी लेने की उठानेने अनिछा जारी है। कुशल संगठनकर्ता और रणनीतिकार अमित शाह के मंत्रिमंडल में शामिल होने के महत्व को इसी संदर्भ में समझा जा सकता है। पहली पारी में भाजपा अध्यक्ष के रूप में पार्टी को नई ऊंचाइयों पर उंचाने वाले अमित शाह को दूसरी पारी में वरिष्ठ मंत्री के तौर पर सरकार की जिम्मेदारियों सभालत हुए देखा जाए। पूर्व विदेश मंत्री सुमित्रा व्हराज भी इस मंत्रिमंडल का हिस्सा नहीं है। वृद्ध विशेष सचिव एस जयशंकर का रूप में शामिल करने का चौकाने वाला फैसला संभवतः उस खालीपन को भरने की कोशिश ही है। चूकू भाजपा ने अपने दम पर 303 सीटें जीती

हैं, इस कारण उल्लेखनीय जीत हासिल करने वाले कुछ भाजपा नेताओं को कैबिनेट मंत्री बनाया गया है। मस्लिन, धारावाड़ से चौथी बार जीते प्रलोट जीरों को जहां सीधे कैबिनेट मंत्री बनाया गया है, वहीं उत्तर प्रदेश में भाजपा को विटर जो दिलाने के कारण प्रेस अध्यक्ष महेन्द्रनाथ पांचय, चर्चित वेगूसराय सीटे से जीते वाले गिरिज राज संघ और गजेंद्र मिंह शेखावत को दूसरी पारी में कैबिनेट मंत्री बनाया गया है। चुनाव में बड़ी जीत के साथ-साथ चक्री पांच साल सरकार चलाने की परीक्षा भी बड़ी है, ऐसे में, मंत्रियों के चयन में प्रधानमंत्री ने योग्यता के तौर जीही दी है। यह इसी का उदाहरण है कि अमितसर से चुनाव हारने के बावजूद हरदीप सिंह पुरी को कैबिनेट मंत्री बनाया गया है।

जातिगत अस्मिता की राजनीति का हश्श

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मोदी की सफलता के पीछे संघ परिवार द्वारा अस्मिता की राजनीति के भुनाना है। वया एक ऐसे विमर्श की शुरुआत नहीं करनी चाहिए, जो जाति खत्म करने की बात सोचे?

विभूति नारायण राय



मोदी की सफलता के पीछे संघ परिवार द्वारा अस्मिता की राजनीति के भुनाना है। वया एक ऐसे विमर्श की शुरुआत नहीं करनी चाहिए, जो जाति खत्म करने की बात सोचे?

नीतीश कुमार और उत्तर प्रदेश में सोनेलाल पटेल जैसे प्रधानी नेता खड़े कर दिए। नीतीश जातियों के भारतीय यथार्थ को साझे हुए लगातार बिहार की राजनीति की खुशी बुझी हुई है।

उत्तर प्रदेश में संकीर्ण यादव सोच को समझने के लिए एक उदाहरण कापानी है। अखिलेश यादव ने मुख्यमंत्री की खेड़ीयत से एक यादव को यज्य लाक्ष सेवा आयोग की कमान सौंपी। उसने अनुरक्षित पांच यादवों पर उत्तर यादव और दामोदर चुने ही, पिछड़ों के लिए आशिक पांच यादवों पर भी सिफ यादव भर दिए। इसलिए जब उसके खिलाफ इलाहाबाद में छावन सड़कों पर उत्तर तो उत्तर यादव और दामोदर चुने ही, यादव पिछड़ी काजियों के लड़के संभंग में इस चुनाव के दौरान जी भव अखिलेश ने सेना में अहीर रेजिमेंट खड़ी करने की मांग की, तो निरिचत रूप से दूसरी पिछड़ी जातियों को निराशा ही हुई होगी। कुछ ऐसी ही संकीर्णता का शिकाय दूसरी पिछड़ी के लिए अद्वितीय लड़के संभंग में इस चुनाव के दौरान जी भव अखिलेश ने सेना में अहीर रेजिमेंट खड़ी करने की मांग की, तो निरिचत रूप से दूसरी पिछड़ी जातियों को निराशा ही हुई होगी।

कांशीराम ने सरकारी कर्मचारियों का संगठन बामसेफ खड़ा किया, जिसमें सभी विवराने के विवरण का प्रतिनिधित्व था। बहुत से यादव और कुर्मी बुद्धिजीवियों ने बहुजन समाज आदोलन की संदर्भात्मकी निर्मित की। इस आदोलन से अपेक्षा थी कि यह डॉ आंबेडकर की सबसे महत्वपूर्ण कामानी जातियों के विनाश का प्रयत्न करेगा, पर हड्डा बिल्लू उल्टा ही। कांशीराम और याजीवी बुद्धिजीवियों ने बहुजन भावना आदोलन की अवधारणा में देखा कि यह एक बड़ा काम है। असीमी के दशक में यह सही अंदाजी थी।

खास तौर से दलित जातियों के नायकों की विवरण का यादव और कुर्मी बुद्धिजीवियों ने बहुजन भावना आदोलन की अवधारणा में देखा कि यह एक बड़ा काम है। असीमी के दशक में यह सही अंदाजी थी।

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बिज़नेस स्टैंडर्ड

वर्ष 12 अंक 89

एनबीएफसी में अनुशासन

भारतीय रिजर्व बैंक (आरबीआई) ने गैर बैंकिंग वित्तीय कंपनियों (एनबीएफसी) के लिए लिक्विडिटी बफर (एक खास राशि संरक्षित रखना) का प्रतिक्रिया रखा है। ऐसा करने से उनकी ऋण देने की क्षमता पर बुरा असर पड़ सकता है लेकिन यह अल्पकालिक कष्ट के लिए संकटप्रस्तर सरकारी बैंकों के कारण

उपजी दिक्कत की भरपाई करने में एनबीएफसी की अहम भूमिका रही है। नई तकनीक को सहजता से अपनाने के कारण इनका भौगोलिक दायरा भी तेज़ी से बढ़ा है। इसके परिणामस्वरूप कुल ऋण में एनबीएफसी की हिस्सेदारी वित्त वर्ष 2012 के 13 फीसदी से बढ़कर 2019 में 23 फीसदी हो गई। जबकि इस अवधि में सरकारी बैंकों

के ऋण में भारी कमी आई। बहरहाल, बेतहाशा ऋण देने, अल्पकालिक ऋण के कारण परिसंपत्ति जिवाबदही में व्यापक अंतराल और लंबी अवधि की उधारी ने इस क्षेत्र में नकदी की भारी पैदा कर दी। नियम कायदे सख्त होने से एनबीएफसी में नकदी प्रबंधन बेहतर होगा और यह उनके परिसंपत्ति-जिवाबदही के अंतर के संकट से बचाएगा। ऐसा संकट जो हमें आरएलएंडएफएस मामले में देखें को मिला, खासतौर पर बैंकों और यूनिअल फंड के मामले में। डेट म्यूनिअल फंड की बात करें तो पुरुषभृतान में दंदनारी कम्हें वालों की शुद्ध परिसंपत्ति वर्ष में रखा जाता है, वह यह सुनिश्चित करती है कि अगर किसी तरह का तानाव उत्पन्न होता है तब भी उनकी वित्तीय संस्थानों के पास कम 30 दिनों की अवधि के लिए परामर्श पूँजी रहे। इसका क्रियान्वयन हुआ तो 2020 से प्रक्रिया

क्षेत्र में अपना जोखिम काफी कम कर सकते हैं। इस परिदृश्य में देखें तो बही खातों की साफ-सफाई और परिसंपत्ति-जिवाबदही को स्पष्ट करने का विचार कर्जदारों को भी अधिक भरोसेमंद बनाएगा और लंबी अवधि में इस क्षेत्र को अधिक मजबूत बनाएगा।

आरबीआई के प्रस्ताव में नकदी करेज अनुपात (एलसीआर) को सभी प्रमुख एनबीएफसी के 30 दिन के शुद्ध नकदी बहर्गमन के अनुरूप होना चाहिए। एलसीआर, जिसे उच्च गुणवत्ता वाले परिसंपत्ति वर्ष में रखा जाता है, वह यह सुनिश्चित करती है कि अगर किसी तरह का तानाव उत्पन्न होता है तब भी उनकी वित्तीय संस्थानों के पास कम 30 दिनों की अवधि के लिए परामर्श पूँजी रहे। उनकी योजनाएं दीर्घावधि की हैं। उदाहरण

की शुरुआत होगी और एलसीआर 60 फीसदी रहेगा। 2024 में 100 प्रतिशत के साथ इसका अंत होगा। केंद्रीय बैंक ने 30 दिन की परिवर्तन को एक से सात दिन, 8 से 14 दिन और 15 से 30 दिन की अवधि में भी बांटा है। अधिकतम एलएम को 10 से 1 फीसदी रखने की बात की गई है। यह अपने आप में एक राहत है क्योंकि माना जा रहा था कि इसे सख्त बनाकर मौजूदा 15 फीसदी से 5 फीसदी कर दिया जाएगा।

इस क्रम की आलोचना करने वालों का कहाना है कि केंद्रीय बैंक ऐसे समय में नकदी प्रबंधन की बात रहा है जबकि नकदी ही नहीं एलसीआर की जरूरत में बदला बदला नहीं क्योंकि इस क्षेत्र में अनावश्यक व्यापक नहीं हैं। जबकि दायरा उतना वित्तीय क्रमांकित होना चाहिए। इसमें भी उनकी एक दलील यह है कि अधिक भरोसेमंद बनाए जाएं। एलसीआर के साथ सरकारी बैंकों के लिए उपर्युक्त वित्तीय क्रमांकित होना चाहिए। इसकी वित्तीय क्रमांकित होना चाहिए। उनकी योजनाएं दीर्घावधि की हैं।

रक्षा क्षेत्र में नई जान डालने की कार्य योजना



दादारी तलावर

अजय शुक्ला

को लागत कम कर भारतीय रक्षा उद्योग को विदेशी प्रतिदंडियों और रक्षा उत्पक्षों एवं प्रतिस्पर्द्धी बनाए। मुद्रास्फीति एवं व्यापार दरों की बजाय सुनिश्चित वित्तीय कंपनियों को विदेशी प्रतिदंडियों के सुकाले हर साल 8-10 फीसदी अधिक राशि देनी पड़ती है जिससे 7-15 साल की पूर्णता अवधि वाले उत्पाद की लागत बढ़ जाती है। शोध एवं विकास को मिलाने वाला प्रोत्साहन आगे भी उत्पन्न हो जाए। आधिकार अधिनियम के तहत मिलने वाला प्रोत्साहन की मियाद वर्ष 2020 में पूरी हो रही है। परीक्षण एवं प्रमाणन में लगी इकाइयों को भी धारा 80(एल) के तहत ढांचागत दर्जा देना होगा।

दूसरा, पिछली सरकार के समय घोषित कई नीतियों को अंतिम रूप देकर लागतर अधिक राशि देनी पड़ती है जिससे 7-15 साल की पूर्णता अवधि वाले उत्पाद की लागत बढ़ जाती है। शोध एवं विकास को मिलाने वाला प्रोत्साहन आगे भी उत्पन्न हो जाए। आधिकार अधिनियम के तहत मिलने वाला प्रोत्साहन की मियाद वर्ष 2020 में पूरी हो रही है। परीक्षण एवं विकास को मिलाने वाला उत्पाद की लागत बढ़ जाती है।

तीसरा, रक्षा उत्पादकों के लिए उत्पाद की लागत बढ़ जाती है। शोध एवं विकास को मिलाने वाला प्रोत्साहन आगे भी उत्पन्न हो जाए। आधिकार अधिनियम के तहत मिलने वाला प्रोत्साहन की मियाद वर्ष 2020 में पूरी हो रही है।

चौथा, पिछली सरकार के समय घोषित कई नीतियों को अंतिम रूप देकर लागतर अधिक राशि देनी पड़ती है जिससे 7-15 साल की पूर्णता अवधि वाले उत्पाद की लागत बढ़ जाती है। शोध एवं विकास को मिलाने वाला प्रोत्साहन आगे भी उत्पन्न हो जाए। आधिकार अधिनियम के तहत मिलने वाला प्रोत्साहन की मियाद वर्ष 2020 में पूरी हो रही है।

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नई सरकार को आधारी देना होता है कि आगे इनमें से कोई भी घटना मौजूदी

प्रांड-अप प्रणाली एकीकरण के लाभ बताती है। इसकी पृष्ठी और अनियामित एवं क्रियाकालीन रूप से अपनी मजबूती का आधार देती रही।

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प्रांड-अप प्रणाली एकीकरण के लाभ बताती



शब्दकोश से असंभव शब्द निकालने से ही सफलता मिलती है

नई सरकार

एक महोत्सव जैसे आजोन में प्रधानमंत्री नंदेंद मोदी और उनके अनेक सहयोगियों की ओर से शाश्वत लेने के साथ ही मोदी सरकार की दृष्टि पारी का शुभाभ्यंग हो रहा है। वह शुभाभ्यंग जैसे खुशनुमा माहौल में और प्रमुख विपक्षी नेताओं के साथ-साथ अम लोगों एवं जानी-मानी हसरतों की उपस्थिति के बीच शुरू हुआ उससे देश के साथ दुनिया भी भारतीय लोकतंत्र की महिमा और गरिमा से परिचित हुई। लोकतंत्र का मूल और मंतव्य यही है कि चुनावों के दैरान पक्ष-विपक्ष एक-दूसरे से बेहतर जनसेवक साधित करने की चेष्टा करें और फिर जनता के फैसले को स्वीकार कर देश को प्राप्ति के लिए मिलुलकर कराम करें। अच्छा होता कि विपक्ष के बीच नेता शपथद्वारा का बहिकार करने से बेच होते जिन्होंने इस समय राजनीति को महाल देते हुए इस समारोह से अपने को दूर रखा। वह साल है कि भाजपा के नेतृत्व वाले राष्ट्रीय जनतात्रिक गढ़वंधन ने प्रचंड बहुताह दासिल कर जनता की अपेक्षाएं बढ़ा ली है, लेकिन लोकतंत्र एक संजग-संचरण विपक्ष की भी मार्ग जाता है। भले ही इस लोकसभा में विपक्ष पिछले बार के मुकाबले संख्याल में कम हो, लेकिन अगर वह जनहित एवं गट्टित की प्राथमिकता दे और सकारात्मक रखें को प्रदर्शन करें तो अपनी सार्थकता एवं महत्व सिद्ध कर सकता है। उसे करना भी चाहिए। राष्ट्रीय महत्व के मसलों पर सत्तापक्ष और विपक्ष, दोनों से यही अपेक्षा की जाती है कि वे दलगत दिनों से परे हालकर काम करें। विभिन्न मसलों पर पक्ष-विपक्ष में मतभेद होने स्वाभाविक हैं, लेकिन लोकतंत्रिक व्यवस्था में मतभेदों के बीच ही सहायता काम करनी होती है।

प्रधानमंत्री नंदेंद मोदी और उनके अनेक सहयोगियों की यही भी है, इससे इन्कार नहीं किया जा सकता कि आज के दौर में जब देश बदल रहा है और उसकी अपेक्षाएं बढ़ती हैं। इस समय बदलाव से राजनीति का भी भला होता है। पुराने, युगे-पिते और निष्प्रभावी तौर-तरीकों के कारण ही भारतीय लोकतंत्र ऐत्र रूप नहीं ले पा रहा है। निःसंहेत भारत दुनिया का सबसे बड़ा लोकतंत्र है, लेकिन जरूरत तो इसकी है कि वह श्रेष्ठ एवं सशक्त लोकतंत्र बने। नई सरकार के नेतृत्व में इस लोकसभा को ऐसा कुछ तो बनाया ही चाहिए। जिससे श्रेष्ठ लोकतंत्रिक परिणामों को सहायता दें अपना जा सके। जहां तक मोदी सरकार के मंत्रियों की बात है, क्वांकेंट्री मंत्रिपरिषद के सदस्यों की सही मूल संख्या ले सकते हैं। सभी मंत्रियों के शाश्वत लोकतंत्रिक परिणामों को सहायता दें अपना जा सकता है, लेकिन इसकी शक्ति का बाहरी क्षमता और योग्यता का सही मूलांकन किया जा सकता है, लेकिन इन्हाँ तो ही है कि अमित शाह के मंत्री बनने से मोदी सरकार एक सक्षम प्रशासक से लैस होने जा रही है। मंत्रिपरिषद में उनके साथ कुछ और नए चेहरों की उपस्थिति नई सरकार को और प्रभावी बनाने एवं बेहतर परिणाम देने वाली बननी चाहिए।

कठोर प्रहार जरूरी

झारखंड के सारगढ़-खरसावा जिले में नक्सलियों द्वारा सुरक्षा बलों पर किए गए हालिया हमले में 25 जवान जख्मी हुए हैं। स्पट है कि राज्य में माओवादियों के हालाते फिर बुरांत हो रहे हैं। संदेश साफ है कि नक्सलियों पर नक्ल कसने की सफलता पर संस्तु बोर नहीं बैठा जा सकता। इसकी काटी अनदेखी नहीं की जा सकती कि नक्सली मोक्ष प्रियों द्वारा उठ खड़ा होने में दर नहीं लगाता। पालटवार को सही समय का उठाऊ तरह करते हैं। इसलिए आज भी इन्कार करना चाहिए। जिससे श्रेष्ठ लोकतंत्रिक परिणामों को सहायता दें अपना जा सके। जहां तक मोदी सरकार के मंत्रियों की बात है, क्वांकेंट्री मंत्रिपरिषद के सदस्यों की बाहरी क्षमता और योग्यता को बढ़ावा दें अपना जा सकता है, लेकिन इसकी शक्ति का बाहरी क्षमता और योग्यता का सही मूलांकन किया जा सकता है, लेकिन इन्हाँ तो ही है कि अमित शाह के मंत्री बनने से मोदी सरकार एक श्रेष्ठ एवं सशक्त लोकतंत्र बनाने की उपस्थिति नई सरकार को और प्रभावी बनाने एवं बेहतर परिणाम देने वाली बननी चाहिए।

रांची, शुक्रवार, 31.05.2019

काम का दबाव

विविध श्वेतपाल संगठन ने 'बर्नआउट' को मानसिक स्वास्थ्य समस्या के रूप में घिनित किया है। कार्यस्थल के लिए बाहर दबाव से समुचित ढंग से छुटकारा नहीं पाने के कारण 'बर्नआउट' की स्थिति पैदा होती है। शोधार्थीयों का कहना है कि यह आधुनिक समाज के मानसिक स्वास्थ्य से जुड़ी उन समस्याओं में है, जिनके बारे में बहुत चर्चा हुई है। कुछ पेशेवर समूहों में तो 'बर्नआउट' की ऐप 69 फीसदी तक है, इसके मुख्य लम्हों में उज्जों की कमी या थकान, अपने काम से मानसिक दूरी बढ़ाना या उसके प्रति नकारात्मक भाव आना तथा पेशेवर समाज में प्रमाणित होना। अधिकारक इस महें समस्या के रूप में चिह्नित होने के बाद इसे प्रेरणा लोग अब विकिस्त्रीय सहायता के रूप में चिह्नित होता है। अधिकारक और नगरीकण के बीच वितान के कारण भारत में भी विभिन्न पेशेवर समूहों की संख्या और प्रतिस्पर्धा का दबाव नियंत्रण बढ़ रहा है। एकमिनिस्ट्रीट्रिव साइंस कॉर्टली में प्रकाशित एक लेख के मुताबिक, हेसें काम पर लगे रहने की संस्कृति लोगों के मानसिक स्वास्थ्य को तो प्रभावित कर ही रही है, इससे काम की

निर्धारित समय से अधिक काम करने से भले ही पेशेवरों को अधिक भत्ते या प्रोन्नति जैसे लाभ मिले हैं, परंतु मानसिक और शारीरिक स्वास्थ्य खराब हुआ है।

गुरुता और उत्पादकता में भी बढ़ती नहीं हो रही है। रेन-सहाय के क्षेत्र में सिमां द्वारा जारी अंतरराष्ट्रीय सर्वेक्षण में भी भारतीय पेशेवरों पर तनाव के नुकसानदेह असर को रेखांकित किया गया है। निर्धारित समय से अधिक काम करने से भले ही पेशेवरों को अधिक भत्ते या प्रोन्नति जैसे लाभ मिले हैं, परंतु मानसिक और शारीरिक स्वास्थ्य खराब हुआ है। वर्ष 2015-16 के स्वास्थ्य खराब हुआ है। गया था कि लगभग 15 फीसदी वयस्कों का विकिस्त्रीय सलाह और मदर की दरकार है, एक चिंताजनक संकेत यह भी है कि पुरुषों से कहीं अधिक कामाकारी महिलाएं ज्यादा तनाव में पारी गयीं। बेतावत काम करने का बेतावत और नौकरी को नियाले काम कर इस तनाव का सबसे बड़ा कारण होता है। सर्वेक्षण के अनुसार, समस्या के समाधान के लिए प्रबंधन या रोजगारियों की ओर से किये गये इंतजाम से कर्मचारी संतुष्ट नहीं हैं, संपोजनक नहीं है कि कुछ बड़ी कंपनियां इस दिशा में प्रभावी प्रयास कर रही हैं तथा सिनां सेवेक्षण ने भारत को उन देशों की सूची में रखा है, जहां हालात बेदर हो रहे हैं। इसी सेवेक्षण में यह भी कहा गया है कि 10 में से नौ भारतीय तनाव से प्रत्यक्ष हैं, विभिन्न रिपोर्टों के मुताबिक, भारत में अन्तर्वार्ता या अन्तर्वार्ता के प्रयास के मामले में भी हा साल बढ़ रहे हैं। इन समस्याओं के में जागरूकता का महत्व के कारण भी मुश्किल आती है, पेशेवर व्यक्ति पेशेवर, मित्रों और सफरकर्मियों से इस बाबत चर्चा करने में हिचकचा है। उमर्सद है कि राष्ट्रीय सुरक्षा प्रशिक्षित समानाहकरों की संख्या बढ़ाने और कंपनियों द्वारा उनका सहयोग लेने की दिशा में गंभीरता से पहल की जानी चाहिए। मानसिक स्वास्थ्य को बहाव रखने के लिए काम के साथ आराम और रचनात्मक गतिविधियों के संतुलन पर जोर देना होगा।



स्वास्थ्य के लिए

ज बेंगे में पाचन प्रक्रिया चल रही होती है, तब कोशिकाओं के स्तर पर शुद्धिकरण की प्रक्रिया लाभार्थी रुक्ष कर जाती है। अगर आप दिवार खाते ही रहते हैं, तो कोशिकाओं में अशुद्धियां लंबे समय तक बनी रहती हैं, जो फिर एक अवधि के बाद शरीर में कई प्रकार की समस्याएं उत्पन्न करती हैं। अतीत से मल बाहर निकलने की प्रक्रिया भी तब काम होती है और अंत में बढ़ी अंत में, एक ही समय पर अपने की बाबाया, अलग-अलग समय पर कच्चरा आता ही रहता है। यौगिक व्यवस्था में हमें प्राप्त करते हैं कि एक खरान के बाद दूसरा भोजन करने में कम से कम छह से आठ घंटों का अंतर होना चाहिए। अगर हम संभव न हो, तो कम-से-कम पांच घंटों का अंतर तो होना ही चाहिए, अगर बड़ी अंत में साफ कर्नी होती, तो आप समस्याओं को न्योता दे रहे हैं, योग में यह कहा जाता है कि यंदे अंत और मनोवैज्ञानिक अशक्ति एक दूसरे से सोधी जुड़े हुए हैं। अगर आप की बड़ी अंत साफ नहीं होती, तो आप अपने मन को स्थिर नहीं रख सकते। आप बैंद तथा पिण्डियों द्वारा आपको योग की पाचन या रोजगारियों को शुद्ध करना चाहें, क्योंकि एक खरान बड़ी अंत आप की अधिकरण समस्याओं की बढ़ाने की बोझी चाहे जो हो, वे पहले आप की पाचन या रोजगारियों की बोझी चाहे जो हो, वे बढ़ाने की बोझी चाहे जो हो, अपनी बड़ी अंत में बढ़ाने की बोझी चाहे जो हो, जैसे हम तरह से याद रखते हैं। यदि आपने एक खरान के बाद दूसरा भोजन करते हैं तो आप की बड़ी अंत के बाद दूसरा भोजन करने में कम से कम छह से आठ घंटों का अंतर होना ही चाहिए, अगर एसे न हो पाए, तब कर्नी जाकर कम-से-कम पांच घंटों का अंतर रखना चाहिए। इसके कम का अंतर है, तो समझ लेजिए कि आप अपने लिए मुश्किल रख दिया है। सद्गुरु जगन्नाथ गुरुदेव

संपादकीय प्रभात

राष्ट्रीय सुरक्षा हमारे लिए सर्वोपरि

अब जब चुनाव खत्म हो गया है, एक महात्मपूर्ण देश का गंभीरता से विचार करना जरूरी है। क्या राष्ट्रवाद, राष्ट्रीय सुरक्षा किसी देश के लिए प्रमुख मुद्दा होना चाहिए या नहीं? पूरे चुनाव के दौरान कुछ लोगों का तर्क था और आज भी है कि राष्ट्रवाद मुद्दा होना ही नहीं चाहिए, क्योंकि यह भारतीयों को भड़काने का विषय है। सेन्य परामर्श पर राजनीतिक चर्चा नहीं होनी चाहिए, इससे उग्र राष्ट्रवाद को चुनाव लाना चाहिए। अजय वह महाराज के बातों से उबले होते हैं कि वे सब मुद्दे उठने ही नहीं चाहिए। ये? यह सच है कि वे सब मुद्दे उठने ही नहीं समित होती है। इस पर हमारे यांत्र लगता बहस चलते हैं।

हम एक अजीब संस्कारों वाले देश हैं, यहां राष्ट्रवाद, परामर्श, सुरक्षा आदि से एक बड़े वर्क के अंदर संस्कारात्मक वित्त है। दुनिया के प्रमुख देशों की स्थिति उलट है। किंतु हमारा पड़ोसी चीन कायमनिस्ट शासन बाला देश है। किंतु चीनी राष्ट्रवाद का कायमनिस्ट पर भारी है और इसी कारण वह सकले के साथ अपने लक्ष्यों को पाता है। राष्ट्रीय सुरक्षा की प्रथमिकता देश के लिए यह सच है कि वे सब मुद्दे उठने ही नहीं चाहिए। ये? यह सच है कि वे सब मुद्दे उठने ही नहीं समित होती है। इस पर हमारे यांत्र लगता बहस चलते हैं। अपने अंदर के लिए यह सच है कि वे सब मुद्दे उठने ही नहीं समित होती है। इस पर हमारे यांत्र लगता बहस चलते हैं।

सोनियत बंधु के विषय के बाद

अनेक विलोपक रुस्से के दुर्बल, जर्जर और दयनीय देश हैं।

विविध वर्षों के दौरान भारतीयों को चुनाव के लिए यह सच है कि वे सब मुद्दे उठने ही नहीं समित होती है। इस पर हमारे यांत्र लगता बहस चलते हैं।

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