

CHATTERBOX

In full action

Congress President Rahul Gandhi may have announced his resignation from the presidency of the Congress, but the party is working fine, thank you. The Congress in Uttar Pradesh for instance, has not only set up a three member committee to investigate charges of sabotage made by its candidates in the just concluded Lok Sabha elections, but has also appointed and dispatched observers and convenors to ensure the Assembly by-elections due in the state shortly go off without a hitch. In Himachal Pradesh, the president of the state Congress, Kuldeep Singh Rathore, has been summoned to Delhi to hold discussions with Rahul Gandhi and Ahmad Patel on changes to be made in the party and its strategy, some manpower changes are also going to be considered. Congress General Secretary in-charge of Haryana Ghulam Nabi Azad and party leaders from the NCR will meet Rahul Gandhi through June and July to firm up further strategy.

Setting an example

Governor of Madhya Pradesh, Anandiben Patel, has written a letter to the collector of Khandwa in Madhya Pradesh, Tanvi Sundriyal, in which she has commended her action. Sundriyal decided that *anganwadis* — crèches meant for working women where children could be left while they were working — could only be improved if all women sent their children there and stayed invested in them. So she decided to send her own daughter to one such *anganwadi*. Sundriyal's husband Pankaj Jain is also a bureaucrat, but in Bhopal. So while Sundriyal works, Pankhuri plays with children at an *anganwadi*.



OPINION  
MICHAEL POMPEO

The notion that our countries aren't full partners, isn't true

Look, you just proved enormously your commitment to democracy last month in the largest democratic exercise in the world's history. It was an example for the region. Imagine if every nation had the vigorous debates and voice that the Indian people just had the opportunity to express.

And yet in spite of all this, there's a nagging misconception that our countries are not able to be full partners — the distrust of an earlier era, I think, still lingers.

But that's not true. You've made hard choices to cut off oil imports from Iran, and move away from purchasing Venezuelan oil. We know these decisions weren't without cost.

We're doing everything we can to ensure you have adequate crude imports. We appreciate your help in pushing these regimes to behave like normal countries, and the Venezuelans to take care of their people.

You supported the global campaign of pressure and diplomacy with North Korea, to encourage Chairman Kim to go back to the bargaining table, and ultimately, to achieve the final, fully verified denuclearization of the Korean Peninsula.

You've joined America, too, for regular meetings between our top defense and diplomatic leaders. Your navy recently joined ours, alongside those of Japan and the Philippines, for a group sail for the first time in the South China Sea. There, we were able to reinforce our partnership and the freedom of navigation throughout international waterways.

Recently, too, India voted against giving the United Nations observer status to a Palestinian NGO tied to terror group Hamas, because rewarding terror groups is just wrong. Both India and America know that.

You've contributed, too, \$3 billion in fact, in assistance to Afghanistan, where we'll keep working to achieve a better future for the Afghan people, and we will make sure the country never again becomes a hive for terrorist evil.

You've collaborated — you've collaborated with USAID, our aid institution inside the Department of State, on economic development that ranges from training farmers in Kenya, to helping women find employment in Afghanistan, to helping Nepal meet its energy needs.

India more and more is standing on the world stage, and we welcome your assertiveness, because it's good for the world. It's why we have for years supported your permanent seat on the UN Security Council. We've seen what's possible when we work together for the common good all around the world. I think, too, it's the moment to think in a different way, to think even bigger. It's time for a more ambitious age.

Let's start with counter-terrorism. Just a few weeks ago, Prime Minister Modi called for all nations to band together to fight terrorism, a message that aligns with what President Trump told the world leaders two years ago in Riyadh, on his first international visit. We were pleased to see the United Nations Sanctions Committee designate Masood Azhar last month. And from Kandahar to Sri Lanka and beyond, this fight will continue. Our work together must continue. Can we work even more closely to thwart terrorism that afflicts South Central Asia?

Then there's our shared vision for a free and open Indo-Pacific region — a vision which we arrived at independently, but which today we pursue together. We both seek to uphold national sovereignty, the rule of law, transparency, good government, and basic freedoms. And we look forward to working with you in the western Indian Ocean, alongside countries such as France. Later this year, for the first time ever, the U.S. military will participate in a tri-service exercise with their Indian counterparts. We respect your sovereignty, and seek a true partnership. Can we have a more robust defense relationship grounded in interoperability, with common platforms, shared doctrines, and new technologies?

Today 60 per cent of global maritime trade transits through the Indo-Pacific. In past weeks, the Islamic Republic of Iran has attacked tankers from Japan, Norway, Saudi Arabia, and the United Arab Emirates. In recent years, China has sought dominance in the South China Sea. Can America and India strategise more comprehensively on how to safeguard free and open seaways all throughout the world?

And on the economic front, just as we want our governments to instinctively turn to one another as partners, so we seek the same thing for our companies. Can we — can we help each other's private industries disengage from countries with a weak rule of law and invest in partner nations eager to house our supply chains and our innovators?

India's IT sector, it's more than just a digital miracle — it's a source of national pride. I know it; I can see it. Can we work together as partners, with partners such as Japan, to keep India's networks — and the 5G networks of the future — safe and reliable? I'm confident that we can. Can we come to an agreement that allows data to flow freely among countries so we don't balkanise the Internet, make our companies less competitive, and impede economic growth? I am certain there is a way.

Look, India has a chance to contribute robustly in the energy security region as well. We want that to happen. Can we work together to provide clean energy for all of the Indian people? And can we help wean your industries off reliance on partners that don't share our common, strategic set of interests? One million Indian youth enter the job market every month. There are trillions of dollars in potential American investment sitting on the sidelines, waiting to be put to work in the Indo-Pacific region. What about reducing trade barriers between our two great nations? I'm very confident — I'm very confident — that a solution can be found, one that will honour President Trump's call for fair and reciprocal trade and benefit the citizens of India and the United States alike.

Edited excerpts from a speech by US Secretary of State Michael R. Pompeo on "America and India: Embracing an Age of Ambition", June 26 in New Delhi

DID THEY REALLY SAY THAT?



"The Congress has imposed President's Rule 93 times... how can they say we are stifling democracy? We imposed President's Rule in J&K due to the prevailing circumstances,"  
Home Minister Amit Shah, while moving the amendment bill of the Jammu and Kashmir Reservation Act, 2004, in the Lok Sabha on June 28



ILLUSTRATION BY BINAY SINHA

Buoyed by the success of the Shiv Sena-BJP alliance in the Lok Sabha polls in Maharashtra, Sena leader **Sanjay Raut** tells **Sunil Gatade** that the forthcoming Assembly elections are a "one-sided affair" as there is no Opposition party worth the name. Edited excerpts:

'Our alliance has no opposition to fight'

**How do you look at the Assembly polls this time as you are contesting the polls with the Bharatiya Janata Party (BJP), unlike in 2014, when you had fought bitterly with them?**

We contested the Lok Sabha polls together and we scored even more than last time. It seems there is virtually a direction from people that we contest together. So both parties have now started meetings on seat sharing and related issues.

If you look at the voting in the Lok Sabha polls, it shows that the Sena and the BJP are ahead in 220 of the total 288 Assembly segments. I am not saying we will win because we are ahead in 220 seats. We have to work hard because the result of the Lok Sabha polls is different than that of Assembly. We saw it in Odisha that witnessed simultaneous polls. There were two trends of voting. BJP being more favoured in the Lok Sabha and Naveen Patnaik's ruling Biju Janata Dal in the Assembly. Besides, we saw Telangana Chief Minister K Chandrababhan Rao's Telangana Rashtra Samithi not doing well in the Lok Sabha despite performing remarkably in the recent Assembly polls. This is not

going to happen in Maharashtra. For us, every seat is important.

**Don't you feel that the Sena could face problems while reaching out to people as it played the role of the Opposition even while sharing power in the state?**

We have fought the Lok Sabha polls together. Sometimes, even if you are in power, you have to raise certain issues aggressively in the Cabinet or in the ruling front, taking into consideration the interests of the state, nation or people and without bothering about the consequences. We have done that. It is in the grain of Shiv Sena that it speaks out if it disagrees with a certain thing.

Now, we have decided... the entire nation has fully backed Prime Minister Narendra Modi for the next five years and if you accept the people's mandate, then it is imperative that we should work together in Maharashtra for the next five years. Seat sharing in the state will be 50:50 between the BJP and the Sena as per general discussion between former BJP chief Amit Shah and Sena Supremo Uddhav Thackeray. Power sharing will be 50:50. This has been decided. I don't think

CHECKLIST  
THE ISSUE OF CASTE RESERVATION

The Bombay High Court last week, upheld the constitutional validity of reservation for the Maratha community in government jobs and education but ordered the quota percentage be reduced from 16 per cent to 12 to 13 per cent. On November 30, 2018, the Maharashtra legislature passed a bill granting 16 per cent reservation in education and government jobs for the Marathas, declared a socially and educationally backward class by the state government. With the 16 per cent reservation for Marathas, the reservation quantum in the state would have risen to 68 per cent.

■ In the 1990s, the AIADMK Government in Tamil Nadu intended to provide 69 per cent of reservation against the SC ceiling of 50 per cent. The central government accommodated this demand with the 76th Constitutional Amendment Act of 1994.

■ In 1994, the Karnataka Assembly passed a Bill to provide 73 per cent reservation with a resolution for

its inclusion in the Ninth Schedule to escape judicial scrutiny. But the SC stayed the legislation before that.

■ In 2003, the Congress government in Rajasthan proposed 10 per cent reservation for "economically backward" among high castes. Similarly, Madhya Pradesh decided to increase the quota for OBCs.

■ In 2016, the BJP government in Haryana came up with legislation to provide 10 per cent reservation to Jats and five other castes — Bishnois, Rors, Tyagis, Mulla/Muslim Jats, and Jat Sikhs. On September 1, 2017, the Punjab and Haryana High Court upheld the reservation, but stayed its implementation until March 31, 2018 till the State Backward Classes Commission had suggested the percentage of reservation. The Commission has not submitted its report to the government.

■ In 2019, the Union government announced 10 per cent reservation for those from high castes but below a certain income threshold.

there will be many problems after the results.

**But what about the issue of chief ministership?**

When Uddhav Thackeray and the Chief Minister Devendra Fadnavis say in one voice that power sharing will be 50:50, power sharing will be equal. It covers everything, all posts and positions.

**So you are suggesting there are no differences on the key issue?**

Anyone might say anything, but there are no differences between us. We are reassured as this has been decided by the Sena Chief Thackeray and Shah.

**It is said that youth is the flavour of this political season, so would Aaditya Thackeray be contesting the polls?**

We feel Aaditya should contest the polls. He is not only fresh but is known for his innovative ideas and studious nature. He should be the youth face of Sena and lead Maharashtra.

**The emergence of the Vanchit Bahujan Aghadi (VBA) is changing politics in the state as it is openly using the caste card by announcing the caste of its candidate. How do you see this?**

In Maharashtra so far, candidature was not distributed based on caste. There were no such instances even when Dr B R Ambedkar's Republican Party of India was present in the state or even before that. But the VBA set up by Prakash Ambedkar and Asaduddin Owaisi in the Lok Sabha polls showed the caste of the candidate along with his name.

But people of these castes have been made candidates by all political parties and also represented in the government. Maharashtra that has given Mahatma Phule, B R Ambedkar and Shahu Maharaj as also Yashwantrao Chavan and Bal Thackeray has not done much caste politics. That is why Maharashtra has remained united.

**Who is your main opponent in the Assembly polls? Incidentally, besides the Congress and the Nationalist Congress Party, there is also Raj Thackeray's Maharashtra Navnirman Sena that campaigned for the Opposition but did not contest the Lok Sabha polls.**

If you look at the results of the Lok Sabha polls, the Opposition parties have almost become invisible in Maharashtra. Congress has no leader in the state and its condition is really pitiable. The NCP has got demoralised and has been severely hit on the ground. Though everyone likes a strong Opposition party in a democracy, at present, there isn't any Opposition party that can give a fight.

**But it looks like Sharad Pawar is still in a combative mood?**

Pawar had also geared up for the battle in the Lok Sabha polls. No doubt, he is a stalwart. At this age, he looks like a lone ranger putting up a fight not only for the NCP, but for the Congress too. The fact is the Opposition parties have been rejected by the people of Maharashtra as they have not played their role properly.

**So how do you see the fight in the polls?**

It will be a one-sided affair.

**What would be the issues as the Opposition is alleging that the last three years of the Fadnavis government has witnessed 12,000 suicides by farmers? The state is also witnessing severe water scarcity as also drought.**

The Opposition might be making claims about suicides, but it is incorrect to say that so many deaths have occurred in the last four years. Reasons for the suicides also include nature's fury. At every place possible, the chief minister and Uddhav Thackeray have reached out and offered succour. But what can be done if there are no rains? The drought is worse than that in 1971. Still, cattle camps have been set up in every district and taluka. We are helping farmers who are migrating. The government is carrying out massive rehabilitation.

**But there is a feeling that Gujarat has surged ahead of Maharashtra...**

You must have seen in the last five years... It depends on the power and support one gets from the Centre. Gujarat and Maharashtra have not been much different rather have been dependent on each other. In fact, the economy of Gujarat is dependent on Mumbai even today. We do not subscribe to the view that Maharashtra has been relegated and Gujarat has surged ahead.

**But the question remains about who between the Shiv Sena and the BJP is the "elder brother" because till 2014 it was considered that Sena is the "elder" in state.**

They (Sena and BJP) are twins. 28 years back when the alliance took birth, there was no senior, no junior.

**But what will happen on the issue of the next CM?**

At this moment, there is no dispute between us on any issue including the chief ministership.

**But who will be projected the CM candidate?**

We will decide. At present, Fadnavis is the CM. After the results, his party would decide whom to make the CM. In our party, we will decide whom to make CM. We will decide together. When we say that Aaditya Thackeray should lead the state, that leadership is of political nature.

The break in the silken thread

The day is not far when the last loom in Mubarakpur, the heart of the Banarasi sari, will break down and the art of silk weaving will be lost forever. Weavers of Banarasi silk are crying to be heard —and pleading that someone save their art, writes Aditi Phadnis

When Narendra Modi came to power in 2014, we thought, here's a man who will do something for us," says Razi Haider, a weaver who runs a workshop where diligent young men toil on a shuttle and loom to produce the most exquisite pieces of silk and brocade you can imagine. "Sadly, nothing happened," he says.

The weavers of Mubarakpur are not salesmen. They're artists. They're designers for whom the power loom is an abhorrence. Everything woven here is made on the handloom, employing as many as four men on one piece of fabric: Two working the shuttles, two others on the finishing and the colouring of the yarn. A luxurious satin weave with zari motifs was the highlight of this area — in itself, an ancient handloom weaving cluster, with evidence of fine silk weaving being practiced here since the 14th century. But over the years, this was usurped by the traders of Banaras and became synonymous with the Banarsi sari leading to a decline in the fame of Mubarakpur.

The weavers' biggest grouse is that the government is running schemes that benefit nobody. They are angry with self-help groups

and weavers' collectives that the government finances: That have achieved nothing. Well-meaning interventions like the huge spanking new building mean to be a marketing centre for Mubarakpur silk have not got off the ground. The building is deserted. Haider says he paid money to the government to lease a kiosk but took back his deposit within a month of acquiring it. "There will be business if people come to Mubarakpur, feel and experience our weaving and touch the silk. Between Mubarakpur and Azamgarh (the biggest town, 14 km away) there is one bus. To come here, you have to get off at Varanasi and drive here from the airport. The roads are in a hopeless condition. So we have this wonderful building but it is completely unoccupied," says Haider.

For these weavers, mostly Ansari Muslims, silk is a source of finding jobs and also giving employment. Weaving, once you've been trained for it, can become an opportunity to make some money for a farmer who is between crops: All he has to do is come to the loom and work there for a few days between harvesting a crop and planting a new one. "But now there are no young men: the hands that have been trained to weave are



**The weavers of Mubarakpur are not salesmen. They're artists. They're designers for whom the power loom is an abhorrence. Everything woven here is made on the handloom, employing as many as four men on one piece of fabric: Two working the shuttles, two others on the finishing and the colouring of the yarn**

now engaged in washing dishes at dhabas and mixing cement for the construction business. Our community used to look down on seeking jobs in the Gulf. Our parents and grandparents

thought going to Saudi Arabia for work was the worst misfortune to befall a family. But now there's no option. There is no opportunity to market our silk, those who sell in big shops would rather buy from Banaras than take the trouble to come here and as a result, our business is slowly dying," Haider says, matter of factly as he absently caresses the jewel-toned silk.

Those in the business are in their 70s. Only a handful of weavers in their 30s and 40s continue to work the looms. Even the looms are in a pitiable state. "When we hear that somebody's loom has broken down, we immediately rush there to buy it off him: Who knows when you might need a part that you can lose in your own loom," he adds.

The only words of praise the weavers have are for Shabana Azmi and designer Manish Malhotra. Azmi came to Mubarakpur, a few years ago, enduring the potholed roads and the insanitary conditions and organised a show for the weavers to display their art in Delhi. She followed it up with internet presentations and this got them many orders. Malhotra visits frequently. His show in aid of cancer patients, gave Mubarakpur a huge cachet. Of course, that was before 2016, weavers say with a shudder. Demonetisation was the last nail in the coffin and the industry is only now slowly recovering from the phase.

What would really help is getting handloom out of GST. Khadi has won that fight. Handloom weaving must also be exempt from GST. It must have certification, like a GI tag. There was a time a bride's trousseau would be incomplete without at least one Banarasi sari. In the past, that sari would be woven in Mubarakpur. No longer. Because Mubarakpur is dying.



THE OTHER INDIA



# Towards digital banking

## Bank of England shows the way, others should follow

Mark Carney, governor of the Bank of England, is in his last year as head of the central bank, but has lost little of his appetite for financial innovation. Speaking at the annual dinner hosted by the Lord Mayor of London, Mr Carney — a former head of the Financial Stability Board in Basel — addressed in particular the increasing digitisation of banking. Facebook's planned new currency, Libra, he said, would face many regulatory hurdles but he implied it would not find those insurmountable: “The Bank of England approaches Libra with an open mind but not an open door.” (Mr Carney con-

troversially met Facebook's founder, Mark Zuckerberg, recently.) The governor pointed out that e-commerce was changing the nature of trade, that an increasing amount of sales was online, and economies were reducing their proportion of cash payments. While these trends are noticeable in the United Kingdom, they are even more powerful elsewhere, including in India. The prevalence of these trends was clearly part of the reason he announced that digital-only financial companies would have access to the overnight deposit facilities of the Bank of England, hitherto a privilege restricted in the United Kingdom — as elsewhere — for traditional

banks. Mr Carney argued this move would “empower a host of new innovation” and hopefully cut costs for payment transactions as well as extend lending to smaller businesses in the services sector and start-ups that were under-served by traditional banking. He also bucked conventional wisdom by insisting opening up the financial sector and central bank support to digital banking would improve financial stability.

These aims are also those of the Reserve Bank of India. The RBI has sought in particular to improve financial inclusion and promote innovation in the banking sector. Many of these changes have been consequential. Licences are now available on tap and payments banks have been introduced. But it is also true that the payments bank experiment has not succeeded as hoped. Blame need not attach to the RBI for this. Part of the under-performance of payments banks is certainly

due to the success of other digital payments infrastructure innovations, including the UPI interface. Instead of relying on payments banks with a truncated business model — they are not allowed to lend — to expand financial inclusion, it may be time for the RBI to look elsewhere. The regular non-banking financial company (NBFC) sector is also facing a crisis, thanks in part to misplaced lending. In comparison, digital banks will be cheaper to set up, and India, with its thriving start-up sector and rapidly expanding digital infrastructure, is well placed to leapfrog in this area. KYC requirements have been onerous for payments banks, but Aadhaar-enabled infrastructure could significantly reduce this in future, alongside supportive regulations. However, it must not stop there. Reducing digital finance's cost of capital is an important step in support of this endeavour. The question is whether the RBI is pre-

pared to take the sort of leap that Mr Carney advises. He is no revolutionary, but it is worth noting that he is far from alone in urging such changes. Delivering the C D Deshmukh Memorial Lecture at the RBI in April, Agustin Carstens of the Bank of International Settlements argued for “regulatory sandboxes”, which would “let innovators test their new products under regulatory oversight”. The RBI is indeed moving forward on such a sandbox. In March, however, the RBI governor said while the central bank had approved seven “purely digital loan companies” to operate, they had not taken off. The Small Industries Development Bank of India is running a pilot that experiments with financial assistance to digital NBFCs, but there is a cap of ₹10 crore. Perhaps it is time for the RBI to experiment further and to examine the modalities of providing the sort of support for digital banks that it does for regular commercial banks.

# Engineering a makeover of Indian agriculture

Reforms that will increase farmers' incomes and generate rural employment are sorely needed

AJAY S SHRIRAM

As the new government settles in, the sense one gets is that they want to hit the ground running. During the build-up to the election, the debate on agriculture had occupied centre stage and the media had extensively covered farmer distress, particularly on account of falling prices. Therefore the government needs to take on the challenges right away. The finance minister's assertion, inviting suggestions from public is welcome, and reflects an open mind towards new ideas.

While some may argue that the Union Budget is about revenues and expenditure, in recent years it has also become a platform for making major policy announcements, agriculture being a prominent area. It is in this context that we hope to see reforms that will increase farmers' incomes, generate rural employment and provide long-term stability to the agriculture sector. Let's look at some areas for intervention.

Unfortunately agriculture tends to fall between two stools as it is a state subject; but then so were indirect taxes. During the last NDA government, the Constitution was amended and a GST Council created representing both the Centre and the states. The then finance minister, Mr Arun Jaitley, was able to successfully navigate a complex subject through this mechanism. There is no reason why a similar framework cannot be created so that there is consistency in policy, and buy-in from all states.

Water is a big challenge staring at our face and two consecutive years of poor rains have driven home this point very strongly. Many canals have gone into disuse on account of poor maintenance and ground water is now available at new depths. The government must encourage efficient usage by charging for water and ensure reliable supplies. If a public-private partnership model has to be evolved, then that too must be looked at.

The pricing mechanism should be used to discourage excessive water usage, or else free electricity can result in pumps being run overnight, wasting large volumes of water. Correcting this anomaly will have ecological benefits and facilitate the much-needed crop diversification.

With regard to genetically modified crops, the government needs to take a stand in favour of science. Too many committees, panels and representations have unfortunately delayed the advent of new seeds. We must conduct proper trials as per the laid-down procedure and accord approvals based on the results. Price controls and bans on seeds only results in black-marketing and deprives the farmer of access to new technologies.

It is regrettable that the Indian farmer is deprived of progress through bio-technology, while the rest of the world moves ahead. Similarly, research and development by public institutions needs a sharper focus, in order to address new challenges being faced on account of climate change, water scarcity and labour shortages.

The food processing industry has played an important role in raising productivity and creating direct links with farmers. This is a mutually



beneficial relationship, and we have seen many successful examples. Once the farmer is assured of a market, most of his worries are over. The farmer can then focus all his efforts on technology adoption and meeting quality standards.

Sugar, dairying, tomato processing, menthol, seed production and poultry are examples where industry intervention has made Indian agriculture globally competitive. This can be extended to other agricultural commodities, particularly fruit and vegetables. Foreign direct investment in organised retail needs to be encouraged, to shrink the chain between the farmer and the consumer. It will give a fillip to food processing and provide farmers with a higher share of retail prices.

The state governments need to play an important role and three aspects need to be addressed urgently. First, land fragmentation has made agri-

culture unviable, with low levels of technology adoption and inadequate capital investments. Consolidation of land with appropriate protection of ownership rights is the way forward. Much work has been already done on this subject and it is time to enact suitable legislation. Second, while agricultural extension networks of state governments have virtually collapsed, the inspector raj continues. There is a need to follow the simplification examples adopted by state governments for industry. Finally, the threat of the Essential Commodities Act needs to go, as it was relevant only in an era of shortages.

Ease of Doing Business has received much attention in the recent past, but this mantra has not spilled over to the agricultural field. Freeing agriculture markets from licensing, allowing land leasing, a stable trade policy, encouraging food processing, linking farmers with modern trade, encouraging use of biotech products in agriculture, rapid growth in non-agricultural jobs, and so on are still so much work in progress, and must remain on the radar of policymakers.

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SANJAY KUMAR

The government in March last year notified a task force on sustainable public procurement (SPP) to transform its procurement policies in the light of climate change and sustainable development goals. A year on, the SPP's stakeholders are waiting for a public announcement.

The UK started a similar SPP journey in 2005. In 2006, its task force report — *Procuring the Future* — paved the way for the country's SPP execution, with the aim of making the country an SPP leader in the EU by 2010. The UK is now one of the leading countries in this field, not only in Europe but globally.

In 2002, Japan enacted a law on promoting procurement of eco-friendly goods and services by public agencies. Since 2006 the Republic of Korea has had an SPP policy, with clear targets in its Third Action Plan for the Promotion of Purchase of Green Products (2016-20). Brazil too has an SPP policy embedded in its Action Plan for Sustainable Consumption and Production: Guidelines for its Implementation (2016-20).

Closer home, China, Malaysia, Thailand, Indonesia and Sri Lanka have similar policies and action plans.

Having a policy is only the beginning. A national action plan (NAP) is required with a mandate, resources, delegated roles and responsibility, clear-cut timelines and monitoring mechanisms to implement the policy. The United Nations Environment Programme Guidelines on SPP Implementation, published in 2012, also advocate the critical role of an action plan in SPP implementation.

India took its first serious step in this direction in 2017 through the executive route, and came up with new General Financial Rules 2017 and Manual for Procurement of Goods 2017. While these directives facilitate procuring sustainable products by public authorities, there is no significant progress. Therefore, setting up a task force to develop an NAP on SPP implementation shows the government's commitment to the issue.

The task force has created a buzz in the region, with countries keenly observing what shape India's NAP will take. Considering India's stake in the region, this plan has the potential to transform business rules and usher in an era of regional collaboration to meet sustainable development goals (SDGs). Regional countries having an SPP policy stand to gain through sustainable supply chain linkages with a regional power; those yet to formulate a policy can take guidance on best practices.

International experience on action plans shows that countries have taken different routes. However, what is common is that all action plans reflect the ground realities of the respective countries. India's NAP must address her context-specific needs and provide a clear direction on five elements for successful SPP implementation.

**Definition of 'sustainable':** Understanding the impacts of a product on the environment, society and human health, besides its

economic effect, and taking responsibility for these impacts is fundamental in beginning the SPP journey. How does one say that a product is sustainable? Individual responses would vary, depending on their interpretation of balancing organisational and national priorities with larger objectives of climate change and sustainable development. The NAP must come up clearly on these priorities so that sustainability conveys the same meaning to all stakeholders involved in the procurement process.

**SPP policy framework:** An SPP policy framework legitimises the procurement of sustainable goods by public procurers without fear of punishment from oversight bodies. The NAP should specify national and international obligations that apply to public bodies in the context of public procurement and internalise them in SPP policy.

**List of prioritised products:** In order to maximise outcomes, it is important to prioritise product categories based on the national context, spend analysis, risk-mitigation opportunities, market readiness, and the degree of market influence. Having prioritised them, the NAP should specify product criteria for sending unambiguous signals to the market and channelising investment in the design, development and manufacture of those products. Such a top-down approach will ensure that resources are aligned to those initiatives that are most likely to generate the maximum sustainability outcome.

**Institutional governance mechanism:** Creating an institute/cell, with powers and resources, financial and human, and the mandate to assign, govern and review would go a long way in fast-tracking the implementation of SPPs. This cell would drive SPP implementation, coordinate with ministries for identifying, developing and reviewing product criteria, and design training modules for different stakeholders. It would adopt a communication strategy for disseminating guidance on the SPP to market and other stakeholders.

**Training and capacity building:** Most procurers do not know how to turn policy into practice. Identifying training needs for stakeholders, designing training modules and delivering them in a time-bound manner are the prerequisites for launching SPPs. Without this, there would be slow progress. Designating training institutes, possibly as a joint operation with the proposed cell, as centres of excellence on SPPs would be useful in the long run.

The plan would need revision and updating as India gains experience on SPP implementation. The NAP thus must provide for feedback from stakeholders so that the latest developments and solutions can be incorporated. This would ensure that the NAP remains relevant in emerging scenarios and continues to spearhead India's SPP movement.

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## ▶ OTHER VIEWS

### Water scarcity issue must be addressed on a war footing

Unregulated use of groundwater should be checked

From Access to resources that are critical for the sustenance of communities should be recognised as rights. It is thus heartening to note that Madhya Pradesh is seeking to enact the Right to Water Act, a first-of-its-kind legislation, which seeks to guarantee a certain quantum of water to every citizen on a daily basis. The prime minister, too, has expressed his resolve to make piped water available to every household by 2024. Yet, there is a case to argue that the transformation of natural resources into commodities meant for public consumption in a populous country like India often leads to wastage and, subsequently, scarcity.

India is all set to pay a heavy price for such lapses. Niti Aayog's Composite Water Management Index states that 600 million Indians reside in high or extreme water-stressed zones and that the creaking water supply system is on the verge of collapsing. India must address the problem of water scarcity on a war footing and on multiple levels. Practices that lead to the exploitation of water in agriculture — the sector uses 78 per cent of the nation's water — and industry must stop. The unregulated use of groundwater, the primary source of drinking water for rural India, must be checked. Distribution sys-



tems in metropolitan areas suffer from leakages: they need to be modernised. Tamil Nadu had made water harvesting compulsory; yet Chennai is now bone dry. The real challenge, therefore, would be to sensitise citizens to the criminal wastage of water.

The Telegraph, June 28

### Reservations a political tool

Maratha quota judgment gets it wrong

In a significant judgment, the Bombay High Court has upheld the reservation given to the Maratha community. It has brought down the quantum of reservation from 16 per cent, as determined by the state assembly, to 12-13 per cent. The HC judgment means that Maharashtra will now have 64-65 per cent reservation in education and government jobs, second only to Tamil Nadu, which has 69 per cent. But it should make the political class pause and think about what reservations have come to mean. Originally envisaged as a temporary tool to uplift India's most marginalised communities — Dalits and tribals — and create a level playing field, reservations slowly became an instrument of displaying and seeking

political power.

In recent years, erstwhile dominant communities — Marathas, Jats, Patidars — launched movements seeking a share of the reservation pie. Instead of addressing the underlying causes of these movements — the crisis in agriculture; limited educational opportunities; the lack of jobs in the formal economy — the political elite decided to take the short-cut and provide quotas. Given the fact that government jobs are shrinking, there is overwhelming competition for seats in public educational institutions, and only a few from any community can actually avail the benefits of quotas, reservations are no panacea.

Hindustan Times, June 28

### Prudent prescriptions

Credit flow to MSMEs needs to improve

The micro, small and medium enterprises (MSME) sector in India is not only a key engine of growth, contributing more than 28 per cent of the GDP and about 45 per cent to manufacturing output. It is also a true reflection of economics where people really matter. An expert committee constituted by the Reserve Bank of India has in this context submitted a substantially germane study on the issues bedevilling MSMEs and made a fairly exhaustive set of recommendations to redress them. The panel is emphatic that the policy environment needs to be urgently refocused. A substantial part of the study is justifiably devoted to reimagining solutions to improve credit flow to MSMEs. For instance, the experts recommend repur-

posing the Small Industries Development Bank of India. In its expanded role, it is envisaged that the SIDBI could not only deepen credit markets for MSMEs in under-served regions by being a provider of comfort to lenders including NBFCs and micro-finance institutions, but also become a market-maker for SME debt.

A noteworthy recommendation urges banks to switch to cash flow-based lending, especially once account aggregators are operational and able to provide granular data on borrowings. The RBI and the Centre clearly have their work cut out in acting on this prudent prescription to help actualise the sector's true economic potential.

The Hindu, June 28