

# The Tower of legal Babel

The project to translate judgments to national languages will face many snags



OUT OF COURT  
M J ANTONY

It is said about literary works that translations are the other side of the carpet. They lose much of the beauty. But when a court judgment in English is translated into national languages the result could be a nightmare like the Tower of Babel. In an age-old nation like ours which had only a

recent contact with western jurisprudence translations could face formidable hurdles. The judiciary has launched an ambitious programme to make available judgments of the Supreme Court and high courts in local languages. Important judgments run into hundreds of pages like the celebrated Kesavananda Bharati, judges’ appointments cases, and recently, the right to privacy judgment. They are no easy read, with footnotes and references at the bottom of the page. The hangover of the Anglo-Saxon tradition leads to a sprinkling of Latin and French phrases, apart from US and Commonwealth case law. Moreover, several judges tend to be loquacious and have been criticised for that. Late V R Krishna Iyer consistently rode a polysyllabic mare to tilt at windmills of social injustice in his classic judgments. Several others also use exot-

ic words and syntax. Recently, Chief Justice Ranjan Gogoi is reported to have conceived a project to provide short summaries of important judgments, but it has not taken off. The judiciary is not digitally savvy, though it claimed recently that it is going paperless. In fact, it has just taken over 12 acres of the former Appu Ghar nearby to store its papers. It is not yet equipped to use computers for translation. Even if AI is used, robots would be foxed by judges’ language. There is an apocryphal story in which CIA engaged computers to translate Russian. When it came to the biblical sentence, “spirit is willing; but flesh is weak”, the printout read: Vodka is good; but the meat is awful. So a large number of specially trained translators have to be employed. There are endless wrangles in courts, reflected in judgments, over the

use of simple words like “shall” and “may”. After long and intricate discussions, shall in a statute is sometimes “read down” as may and on other occasions, may is “read up” to mean shall. Law journals have a separate section on the latest interpretation given by courts to ordinary phrases. Judgments are only part of the problem. Legal draftsmen have often confounded judges with woolly phrases. Some jurists think that half the litigation in the writ courts is the consequence of bad draftsmanship. When judgments are written, those provisions running into several pages are cited fully. This would make the task of the translators doubly difficult. Last week, a Jharkhand liquor law provision in Hindi had to be translated twice into English to satisfy SC judges regarding its accuracy. The sections were named in hybrid language, like “Rule 106(Tha)”. The problem would be compounded if all these have to be translated into 23 scheduled languages of the Constitution, including Bodo, Santali and Sanskrit. The SC has often criticised lawmakers for not correcting errors — even typos — despite pointing them out.

Judges have to iron out clumsy clauses in law. On four provisions in the Excise Act, the court wrote, “subjected to amendments from time to time, they have now become so complicated that in order to discern their meaning, it becomes necessary to read them back and forth several times”. In a similar situation, a British judge remarked that he tried holding the lines upside down too, with no result. If judges say so, what would a lesser translator do? The legal profession treats words of statutes and judgments like religious texts. With several translations, they would argue over comparative translations till their jaws ache and pockets runneth over. It is well to remember the old adage that hell is paved with good intentions. The translation move may be politically correct, but the immediate need is to provide ordinary people a simple summary of judgments, as Gogoi planned. In the 1,000-page Kesavananda judgment, the judges themselves felt the need to provide a summary. But that summary itself ran into controversy because it is argued that the “basic structure theory” came out of the summary, not from the judgment. Quicksands abound in the legal field.

# The ascent of dissent

Financial sector committee reports have become as famous for dissent notes as their recommendations

SUBHOMOY BHATTACHARJEE

According to media reports, Finance Secretary Subhash Chandra Garg will be putting up a dissent note in the report by the Bimal Jalan committee reviewing the capital framework of the Reserve Bank of India (RBI). One key recommendation will be how much of the central bank’s reserves should be transferred to the government. Garg has apparently suggested a one-time lump sum transfer. Garg is not the first to put in a dissent note in a financial sector report. In fact, it is rare to find any committee report for the financial sector since 2000 in which there hasn’t been a dissent note by at least one member. If he does so, however, he would be the first finance secretary to have put in a dissent note so far in the 20-odd reports commissioned for the sector. The most famous dissent was the “High Powered Expert Committee on Making Mumbai an International Financial Centre” report of 2007. It was colloquially known by the name of its chairman, Percy Mistry, who made his dissent known by declining to sign the final report. The Percy Mistry report was signed by the other 14 members; predictably, Mistry’s absence made the news — and Mumbai never made the transition to an international financial centre. In 2006, economist Surjit Bhalla

put in a dissent note as member of the second SS Tarapore committee report on capital account convertibility. This was known as the committee on “fuller” capital account convertibility, since there was an earlier report on the same theme by the committee in 1997. The earlier one did not have a dissent note. Some recommendations from both these committees became part of the policy framework. The maximum number of members to put in a dissent note was the Financial Sector Legislative Reforms Commission chaired by Justice Srikrishna to streamline and update sectoral laws. Of the eight members who wrote the report in 2013, four also penned dissent notes. Discussions on the report are peppered with these dissent notes, especially the one by P J Nayak. As former joint secretary, capital markets, and former chairman of Axis Bank, Nayak’s words of caution about transferring power from the RBI to the finance ministry effectively killed the report. One key proposal became the Financial Resolution and Deposit Insurance (FRDI) Bill, 2017, but the uproar over a clause diluting depositors’ rights put it on the back burner. Nayak himself was lucky as the report he chaired in 2014 as the “Committee to Review Governance of Boards of Banks” had no dissent notes. No wonder its prescription for bank governance in India has become the standard reforms template since.

There is a pattern to these dissent notes. Most of them have been about reconciling differences between the RBI and the finance ministry, the underlying issue being which institution will be asked to cede power. Committees were expected to narrow the differences. In most cases, that never happened, so the tensions persist with varying intensity. For instance, in 2018, the finance secretary chaired an Inter-Ministerial Committee for Finalisation of Amendments to the Payment and Settlement Act. The committee had seven members, of whom the RBI representative, S Ganesh Kumar, executive director, had put in a dissent note. At stake was who will get to police the emerging fintech sector. No surprise, then, the practice has spread to other entities in the financial sector. Economist Abhijit Sen as member of the 14th Finance Commission had put in a dissent note. The commission was chaired by Y V Reddy. Sen criticised the sharp bump in the allocation to states from the divisible pool. Sen was the first member of a Finance Commission member to write a dissent note. Essentially, every chair of a committee on the financial sector has had to wrestle with dissents. The N K Singh-led committee review of the Fiscal Responsibility and Budget Management Act got its share from then Chief Economic Advisor Arvind Subramanian in 2017. Raghuram Rajan chaired two reports for the Planning Commission, one of them after he was appointed chief economic advisor. The one on

## DIFFERING OPINION

Name of committee	Chairman	Dissent notes	Year of submission
Fuller capital account convertibility	SS Tarapore	Surjit Bhalla	2006
Mumbai IFSC	Percy Mistry*	Percy Mistry	2007
FSLRC	Justice Srikrishna	PJ Nayak, JR Verma, KJ Uddeshi, YH Malegam	2013
Committee for evolving a composite development index of states	Raghuram Rajan	Shaibal Gupta	2013
14 <sup>th</sup> Finance Commission	YV Reddy	Abhijit Sen	2014
Committee on Comprehensive Financial Services for Small Businesses and Low Income Households**	Nachiket Mor	Shikha Sharma, SS Mundra	2014
FRBM Review Committee	NK Singh	Arvind Subramanian	2017
Inter-Ministerial Committee for finalisation of Amendments to the Payment and Settlement Ac	Subhash C Garg	S Ganesh Kumar	2018

\*resigned from the committee in February 2007; \*\*additional notes to the committee

financial sector reforms, which he chaired before joining the government, went through peacefully, but the “committee for evolving a composite development index of states” which submitted its report in 2013, found itself saddled with a dissent note from Shaibal Gupta of Asian Development Research Institute. Gupta opposed the method crafted by the committee to decide if a state could get special status. This, too, got more salience than the report, which was quietly buried. The Seventh Pay Commission with just three members has notched up a record for the largest number of dissent notes — well over 60. They differed on treatment of defence services, whether IAS entrants should hold an “edge” over other services on number

of years, on pay within the central services on promotion prospects, on lateral entry and much more. There were so many that it is often difficult to make out if there is a considered view for the government to adopt or simply a recital of the dissenting views. Even when there was no dissent on record, such as the Bimal Jalan committee for “Review of Ownership and Governance of Market Infrastructure Institutions”, reports created news for having glossed over dissensions. That report submitted in 2010 set up a furious debate between the stock exchanges with both the finance ministry and the Securities and Exchange Board of India eventually distancing themselves from the conclusion. Jalan, too, finally distanced himself from the report.

## CHINESE WHISPERS

Swaraj on political violence



Former external affairs minister Sushma Swaraj (pictured) has retired from active politics. Her well-wishers and supporters expected the government to make her governor of a state. While Swaraj is yet to be sent to a Raj Bhavan, she has decided to highlight the issue of “political violence in Bengal”. On Thursday, Swaraj will be the chief guest at such an event the India Foundation, a Bharatiya Janata Party-affiliated think tank, is organising. The organisers have said more than 50 families “whose members have been victims of political violence in Bengal and all those survivors of family victims will narrate their stories of sorrow and horror”. The group is planning to prepare a report on this and present it to Home Minister Amit Shah.

Star performer Tewari



UPA Chairperson Sonia Gandhi on Tuesday came prepared to take on the government on US President Donald Trump’s remarks on Kashmir. During the Zero Hour, as Manish Tewari (pictured), who was leading the Congress’ charge on the issue, targeted the government, Gandhi pulled out a sheaf of papers from a plastic folder and handed those to Tewari, who started reading out from the transcript of Trump’s remarks on Kashmir. He returned the papers after completing his intervention. Tewari had been passed over and Adhir Ranjan Chowdhury was chosen leader of the Congress in the Lok Sabha. But during the ongoing session, Tewari has been one of the star performers for the party.

For an accident-free India

Rashtriya Loktantrik Party leader Hanuman Beniwal, an ally of the Bharatiya Janata Party in Rajasthan, on Tuesday said in the Lok Sabha that one of the reasons for the growing number of road accidents was India’s rising population. He suggested those with more than three children should not be allowed to contest Lok Sabha and state assembly elections. Speaking on the Bill to amend the Motor Vehicle Act, Beniwal said India should follow a three-children policy, if not the two-children policy followed by neighbour China. The reason that Beniwal said a three-children policy was good enough, sources said, was because having three children was still quite the norm in Rajasthan, and several of his politician colleagues have three children.

## INSIGHT



Men in white T-shirts and carrying poles, seen in Yuen Long after attacking anti-extradition bill demonstrators at a train station in Hong Kong

were non-violent. But they broke what they deemed were restrictive and egregious laws. They knew their actions had consequences. They didn’t slip away to Bermuda for a martini. The government for its part must stop dancing around the issues with semantics. It has impressed none and frustrated all. If the extradition bill is truly dead, then the chief executive must take it off the table. There can be no ambiguity. The police must end their petulant behaviour and get back to serving and protecting, as they have done in a clean and exemplary fashion since the Independent Commission Against Corruption (ICAC) was instituted in 1974 to excise graft from the ranks. An independent commission of enquiry would be welcomed to identify erring officers and put paid to idle scuttlebutt. The morale of those in uniform must be rebuilt. A fundamental problem with the sudden politicisation of Hong Kong — an avowedly apolitical financial entrepôt until 1997 — is the lack of precedent and history or any markers to chart progress. Just as viewers often mimic relationships on TV (Friends was one striking example), politics in the ter-

ritory has been largely copied and has a naïve romantic neo-convert tinge to it. That image may be losing its lustre and is part of the frustration as students realise that a crowd, however well intentioned, cannot simply dictate terms. There is rule of law. There are courts. There is procedure. That’s where the battle must be joined if the city is to protect its fine institutions and future well-being. Romantic struggle requires a Great Evil to oppose in order to stir young hearts. And thus the good-vs-evil battle plays out weekly on Hong Kong streets shrouded in tear gas. It is street theatre at its most moving — both intriguing and worrisome, given its unpredictable nature and the absence of a coherent plot. Hong Kong’s embattled Chief Executive Carrie Lam Cheng Yuet-ngor has been pilloried as a stooge and a monster. She is neither. But an obdurate manner, government hubris, and a tin ear have not helped. Lam would do well to resign after a face-saving cooling down period (which also limits the damage to Beijing) much like former CE Tung Chee-hwa in March 2005 for “health” reasons. There is a precedent for retreat. But any cooling down period will require some government heads to roll right away. The police chief and the secretary for justice are prime candidates. It will help bring cooler heads to the table to revisit grievances and offer reassurance. That is the price of peace. Any other alternative is too grim to contemplate. While the process of selecting a new CE may open a fresh can of worms for some parties given the current swing away from China-sympathetic politicians, it represents the fresh start this city sorely needs. Dealing with the “free radicals” on the streets and student suicides — both symptoms of a deeper malaise — means identifying and tackling the problems head on. This is not a law and order issue even if it manifests as one. It is time to grasp the nettle.

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

## LETTERS

### Plan now

This refers to “The agony and the urgency of water” (July 23). The article is well timed as some of the states in India are reeling under severe water crisis. Vidarbha in Maharashtra is one such region. The suggestions for conservation of water through various measures are well taken. The need of the hour is issuance of government advisories and campaigning in public media for the efficient use of water. Rainwater harvesting in every building and hotel in the city should be compulsory and reuse of waste water through recycling by modern techniques should be undertaken. We must be prepared to tackle global warming. If we plan now, we may achieve the goal of reducing demand for water through efficient conservation in a very short time span. Partha Sarathi Mukhopadhyay Nagpur

### One-sided match

This refers to your article “Red flags on green targets” (July 23). India should not commit itself to any enhancement in its targeted share at the climate change summit despite having the capacity to do so as its internal efforts aren’t adequate. Afforestation cannot be an immediate measure or solution and will only be a long-term strategy to reduce emission in the wake of mass deforestation over a period of time. Official commit-

ments before international forums have to be made with caution as the European Union and the United States have a hidden economic and political agenda to dilute and gradually do away with their share in climate change by passing the burden on to developing countries like India and China. They have also not committed in extending technological and financial support to reduce costs. This is against equity and fair sharing. Further, when covertness does not succeed, they resort to political threats like pulling out of agreements entered into earlier. This applies all the more to the US. The United Nations is also attempting silent coercion by stating that countries should come prepared with enhanced targets at the United Nations Climate Change Summit in September 2019. It is obvious that such threats are being directed towards the developing countries like India and China. Commitments made before an international forum will lead to an internal economic pressure increasing costs for such conversion, hurting the industry, especially the power segment, transport and housing amidst an abrupt change in technology. It will upset productivity and create inflation. C Gopinath Nair Kochi

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## Boris and Brexit

His election amplifies the confusion

The only certainty about Boris Johnson's election as British Prime Minister is that trade and business can expect more uncertainty as far as the process to leave the European Union (EU) is concerned. Mr Johnson has revelled in his maverick image in various public positions he has held, from mayor of London to foreign secretary. But as he takes charge at Downing Street on Wednesday, he may find himself up against challenges of far greater consequence than a dodgy project award or an argument with Italians over Prosecco sales. Unlike the embattled Theresa May, Mr Johnson has showed his hand. He campaigned hard for "Leave". He wants a "hard Brexit" (meaning the UK would leave the EU, single market and customs union) and, failing that, crashing out with "no-deal". The stances may be clear, but the implications of these positions on business are not.

His predecessor's thrice-defeated Brexit deal, which saw the deadline postponed twice, underlined the polarisation of Parliament and the electorate. In his acceptance speech, Mr Johnson said he would "get Brexit done by October 31" with a "new spirit of can-do". But he takes charge of a government that is largely hostile to his swashbuckling Brexititeering. Two members of the government have already resigned and several key Cabinet ministers, including Chancellor of the Exchequer Philip Hammond, were threatening to resign if he were elected. By-elections next week could reduce the Conservatives' slender seven-seat majority in the House of Commons to just two, making it difficult for him to gain support for any Brexit deal he may negotiate before the new October 31 deadline. Also, Parliament has given Mr Johnson less of a free hand, voting, first, against a "no-deal" withdrawal and then voting against Parliament being prorogued to push through such a deal.

Mr Johnson now has a little over 90 days to negotiate an alternative deal. The core of the problem that brought down Ms May remains: How to deal with the border between the Republic of Ireland, a EU member, and the UK's Northern Ireland. The issue is complicated by the fact that the Conservatives depend for their Parliamentary majority on an Irish unionist party, which does not want any exceptions for Northern Ireland in this deal. Ms May's deal sought to address this with a "backstop", which would entail the whole of the UK remaining within the EU for the duration of the discussions over the new relationship but without any say in any rule changes. Predictably, this projected indefinite diminution of the UK's negotiating position — which was the proximate reason for Brexit in the first place — attracted opprobrium across party lines. Within the Conservative party, the "backstop" clauses heightened demands for the exit of Ms May, and Mr Johnson was at the forefront of those calls. Confusingly, however, he had voted for Ms May's discredited deal in its third vote. With the UK economy expanding at its slowest pace since 2012, the chaos of "no deal" is the last thing it needs.

## Don't tread on Sebi

The market regulator needs financial autonomy

The Securities and Exchange Board of India (Sebi) has asked the finance ministry to reconsider aspects of the Union Budget for 2019-20 that seek to amend its governing legislation, the SEBI Act of 1992. The Finance Bill has made some major changes to requirements on the market regulator. For example, the proposed amendments suggest that three quarters of the surplus retained by the market regulator every year be handed over to the government. The remainder should go into a "reserve fund" — but that, too will be capped. The level set by the government is two years' expenditure. This is not all that the government proposes. The amendments also would require Sebi to seek the approval of the government for any capital expenditure. Put these together, and an unfortunate pattern of reduction of a well-functioning regulator's independence and powers becomes apparent.

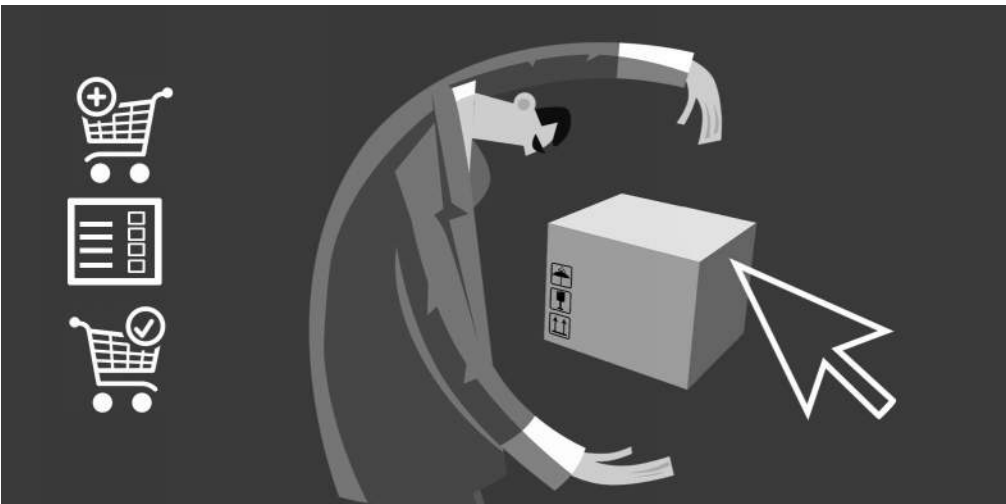
While the government may reasonably argue why a market regulator should sit on any pool of capital at all — and the Comptroller and Auditor General feels this undermines the parliamentary oversight of public funds — there are significant moral hazard questions that arise as a consequence of these proposed amendments. The sums involved are not enormous. Unlike the Reserve Bank of India, which earns a considerable income from its regular operations, in 2016-17, Sebi earned just over ₹200 crore from investment income; the remainder, just over ₹500 crore, came from its regulatory actions. Sebi's general reserve is estimated at ₹3,800 crore in March 2019.

So the amount of funds the government is likely to receive from Sebi will hardly make much of a difference to the government's kitty, giving rise to concerns that the latest move is a desire to increase control over the regulator. The Sebi chairman is right in arguing that the proposal is already being discussed by the Financial Stability and Development Council, and that the amendment to the Sebi Act, through the Finance Bill, could have waited for the Council's final decision.

The Sebi employees' association has written to the prime minister, pointing out that transferring the regulator's surplus automatically to the Consolidated Fund of India is tantamount to regulatory action becoming "a kind of additional tax on market participants". This is broadly correct. The letter goes on to warn that "perverse incentives" would be created. Governments always want to raise revenue, while Sebi has broader concerns such as market stability. A moral hazard problem would be created, in which these two incentives would clash.

The control of capital expenditure is similarly troubling. It should be up to the regulator to decide if its duties require additional capital expenditure, through discussions of its duly constituted board. The fact is that if Sebi feels it is earning too much through fees on market participants, its current mandate would mean that it would reduce its fees to broaden the market. If it requires updated facilities and more staff to monitor increasingly complex financial markets, then the decision on this matter should be taken by the regulator with the consent of the board, not by the finance ministry. This is fundamental to what regulatory independence means. The government should rethink its insistence, especially as the stability and regulation of the Indian markets are very much in the broader national interest.

ILLUSTRATION: BINAY SINHA



## Au revoir, brands?

The current focus on data to measure marketing success could herald the end of an era — or the beginning of a hype cycle

Ignore the academic pride and posturing of the past. Forget the linguistic arguments... data rule[s] the day....Data science is...the new look of marketing".

I rubbed my eyes in disbelief when I saw the affiliation of the author of this: Northwestern University. This was the university that was home to Professor Philip Kotler who conceptualised the idea of "brand marketing" and whose 1967 book, *Marketing Management: Analysis, Planning, and Control*, is even today, 52 years later, a staple textbook in every business school in the world.

The sentence that I quoted was from the preface of the book, *Marketing Data Science*, by Thomas Miller, also of Northwestern University. This book, unlike Professor Kotler's classic, is full of computer-based models and the use of the computer programming languages R and Python to build models in marketing.

If what Professor Miller says is true, there is an impending wasteland where we will see the carcasses of some currently high-flying and prosperous organisations (market research companies, advertising agencies, public relations firms...), job positions (product managers, marketing managers) not to mention all of the media industry (print, television, radio...) whose life-blood is advertising money spent to create and sustain "brands". Collateral damage will affect not just Bollywood stars but also cricket, soccer and tennis, whose players are rewarded handsomely by the brands they endorse.

All these lucrative industries were built on the firm belief that there is an intangible element to every product or service beyond its physical attributes — or even its price — and that intangible

element was captured in the concept of "brand". This "brand" has its components as well: The "brand name", which was supposed to be unique and catchy, a "tagline", a string of four or five words that conveyed the most crucial aspects of what it stood for ("Just Do It", by Nike is an example), creatively designed elements (the log design, the typography used, the colour palette). All of these were supposed to combine and represent the "brand".

Early successes in using these concepts were seen in the United States with, for example, De Beers' 1947 "Diamonds are Forever" campaign that made diamonds an expression of love among common people and not just an extravagant purchase by the very wealthy; the 1954 Marlboro Man campaign made Marlboro the smoke of choice for "cool, rugged men everywhere", not to mention the myriad campaigns advertising soap brands from Colgate Palmolive, Unilever and others. These soap advertising campaigns were such a dominant force in the 1950s that even the radio and TV programmes that they ran on were dubbed "soap operas".

It is useful to trace back the economic and technological forces that led to this outburst of brand advertising because that may help us understand the current movement against brands. The early part of the 20th century saw, thanks to breakthroughs in chemical technology, the arrival of mass produced chemical-based items like soaps, detergents, cigarettes, breakfast cereals and so on that were hitherto the work of small neighbourhood craft shops. These large scale producers, particularly in the United States, needed a way to present their commoditised products as different from that of



AJIT BALAKRISHNAN

## No light at the end of the tunnel?

Former Reserve Bank of India Governor Urjit Patel's talk on India's banking sector at Stanford University last June has not received the attention it deserves. Patel sees no light at the end of a long tunnel. His diagnosis is debatable and his pessimism seems overdone.

Three points emerge from Patel's talk. One, the present non-performing asset (NPA) crisis largely stems from regulatory failures and public ownership of banks. (Patel believes the two are linked). Two, Raghuram Rajan and Patel made a valiant attempt to rectify the failures of the past by tightening regulation during their tenures. Three, there are indications once again of a lurch towards lax regulation and, therefore, Indian banking will continue to be bedevilled by concerns about stability.

The significant regulatory failure, according to Patel, was allowing a credit boom to happen by relaxing norms for company, group and non-banking financial company (NBFC) exposure. There is some merit in this contention, although it's not obvious that growth of 20 per cent in non-food credit in 2007-12 was excessive. India's credit boom may seem a case of bad business judgement today. However, neither businessmen nor bankers nor the regulator could have anticipated the global financial crisis of 2007 that derailed major projects set in motion earlier.

Public sector banks (PSBs) account for most of the NPAs. Since government spending is constrained by the fisc, it uses PSBs to pump-prime the economy or boost preferred sectors. Over time, this results in higher NPAs and capital infusion into PSBs by the government. Bank lending to infrastructure and related sectors was thus a form of deferred government spending. One wonders whether that is as terrible

as it sounds. Massive PSB lending to infrastructure has eased a long-standing constraint on economic growth. Hasn't China done likewise for long — and quite successfully thus far?

After 2014 (when Rajan was governor and Patel deputy governor), the RBI significantly tightened regulation. The RBI's Asset Quality Review resulted in vastly improved recognition of the NPA problem — witness the three-fold increase in NPAs at PSBs. Better recognition of NPAs was certainly needed. Talk to bankers, however, and they will tell you that recognition was carried too far. It seriously eroded banks' capital and undermined their ability to lend. This hurt economic growth and thereby banks' ability to manage the NPA problem. The RBI overlooked the fact that growth, not NPA resolution, is the best way out of an NPA crisis.

Patel says that the RBI's February 2018 circular removed banks' discretion in dealing with defaults. There was a clear message to bankers: No more extend and pretend. The RBI placed 11 PSBs under the Prompt Corrective Action (PCA) framework that placed restrictions on their lending. Alas, says Patel, much of the good work has since been undone. The February 12 circular was struck down.

The former governor may have spoken too soon. Within days of him giving his talk, the RBI issued a revised circular on NPA resolution to replace the February 2018 circular. The new circular provides a time-frame for resolution that is more realistic. It does away with the draconian principle of declaring even a single day's failure to make repayment as default. It



### FINGER ON THE PULSE

T T RAM MOHAN

tleman who was a world champion of "racquets", a forerunner of squash, and was in London in 1911 to defend his title. The cricket team found time to visit the bouts of nine Punjabi Muslim *pehelwans*, or wrestlers, including disciples of the famous Gama Baksh.

Professor Kodi Ramamurti Naidu, dubbed the "Indian Hercules" and known for his "astounding displays of strength and endurance", was another Indian who drew crowds in England, and had become a "totemic figure among nationalists eager to promote indigenous forms of physical culture."

As the cricket team spent time in England in 1911, the flagbearers of nationalism was Mohun Bagan football club that defeated the East Yorkshire Regiment in an IFA Shield match thousands of miles away. The author has followed Ashis Nandy and Ramachandra Guha to delve into the history of popularity of cricket in India and its larger influence. The title of the book is borrowed from English poet Edmund Blunden's 1944 book, where he "reaffirmed the deeply entrenched view that cricket was truly authentic when it

was inviolately English".

As the author points out, Blunden's book had no subtitle since there could only be one Cricket Country. Mr Kidambi's work reverberates with what Mr Nandy in 1989 wrote in *The Tao of Cricket* that cricket is an Indian game accidentally discovered by the English. Subsequently, Mr Guha in *A Corner of a Foreign Field: The Indian History of a British Sport*, seemed to celebrate the popularity of cricket as a victory of the idea of Nehruvian India.

Mr Guha argued that cricket's popularity had proved socialist leader Ram Manohar Lohia and Rashtriya Swayamsevak Sangh's MS Golwalkar wrong. Both considered the sport a sign of British imperialism and implored people to play indigenous sports like *kabaddi* instead. While cricket remains popular, the construct of a Nehruvian India never permeated mass consciousness.

Prime Minister Narendra Modi has resurrected a combination of Lohia and Golwalkar in politics. He is yet to question the frenzy around cricket but on occasion implored in his Mann Ki Baat broadcasts (of May 27, 2018) for people to play and preserve traditional Indian sports like *pitthoo*,

their competitors. Their willingness to spend large amounts on advertising synergistically led to the sudden emergence and growth of, first, mass circulation periodicals, followed by advertising supported radio and then television. Concepts like "brand equity" started circulating and by the 1960s, advertising agencies came into being to provide such services.

It is in this context that Kotler articulated the concept of "marketing" as a field of learning and postulated that the "brand" is as crucial a variable as price in influencing demand.

There is a possibility that thinking, like Professor Miller's, and debunking concepts like "brand image" and "brand" is merely an example of the kind of overstatement that new technology approaches tend to make. The consulting firm, Gartner, even has a theory around this, that they call the "hype cycle". The start of a hype cycle is when a technology breakthrough happens, but usable products that are commercially viable have yet to happen. However, early publicity soon creates a "Peak of Inflated Expectations". Soon it is discovered that there are scores of failures and only a few successes, which then results in the next phase, the "Trough of Disillusionment". Many producers drop out while a few courageous ones hang in there and try and prove themselves to the few early adopters. Then comes the "Slope of Enlightenment", a long, multi-year (often multi-decade) period where products that really deliver on — or near — the original promise appear. Finally, comes the "Plateau of Productivity" where mainstream adoption of the new technology happens.

The current rush towards emphasising the measurable outcomes of marketing like clicks, form-fills, add-to-carts, orders, orders accepted and paid for with no returns is dramatically different from long-established measures of media effectiveness such as what percentage of a product's potential audience has become "aware" or have the mode to becoming "interested" or have graduated to "desire" the product or have resulted in "action".

On the face of it, it represents progress since it measures ultimate outcomes. But, by skipping the measurement of the earlier stages through which a sales process works, are we taking the online advertising technology to the dangerous stage of the hype cycle, the "Trough of Disillusionment"? A sense of realistic expectations will dawn when the same sophisticated machine learning models that attempt to predict clicks and orders are engaged to model earlier stage variables such as awareness, interest and desire. So, a great deal of mathematical innovation lies ahead of us.

*The writer is hard at work on a free textbook in 22 Indian languages that will introduce machine learning to Class 8 Students in India. ajitb@rediffmail.com*

affords some discretion to bankers and provides incentives for resolution. The RBI has asserted its power to give directions to banks on NPA resolution.

As for the PCA, it can only be a temporary measure. If extended for long and to a large number of banks, it ends up hurting banks as well as borrowers. The relaxation of the PCA framework was especially necessary given that the NBFC sector had moved into distress.

Patel concludes on a grim note. We are confronted with a trilemma in banking. It's not possible to have all of three things: Dominance of PSBs, independent regulation and adherence to debt-to-GDP targets. Something has to give.

We need clarity on the independence of the bank regulator. Is there any legal impediment to the RBI implementing "fit and proper" criteria for government-appointed directors on the boards of PSBs? Or imposing fines on PSBs that do not fill vacancies in top management or the board for long spells? Or specifying a minimum compensation for independent directors on bank boards? Independence is not given on a platter, it often has to be wrestled.

If indeed regulation can't be effective, reducing the dominance of PSBs is one answer to the problem. This is already happening. The share of PSBs in banking assets is down to 66 per cent and it should be down to 50 per cent in a few years. Do we need to accelerate the process through selective privatisation? Patel does not say so explicitly. He only asks that the government assess whether its return on equity at PSBs is adequate.

It's not all gloom and doom in Indian banking. The RBI's Large Exposure Framework is a big leap forward in managing risk. As Patel concedes, there is improvement in the assessment of loans. The process of appointment of chairmen and managing directors at PSBs is more rigorous than before. Fifty years after bank nationalisation, it would be unfortunate if we were to substantially abandon the public sector model precisely when the signs are promising.

*The writer is a professor at IIM Ahmedabad*

## An imported obsession



### BOOK REVIEW

ARCHIS MOHAN

This book "charts how the idea of India took shape" on the manicured cricket pitches of Mumbai long before the country gained independence, and not so much on the muddy football maidans of Kolkata or the uneven hockey fields of Lahore and Amritsar.

Incidentally, undivided Bengal and Punjab were provinces that sent the most freedom fighters to the Cellular Jail in the Andaman and Nicobar Islands. Hockey and football were by far the more popular sports among the masses in northern and eastern regions of both

undivided and independent India.

Cricket caught the popular imagination later, mostly after India's 1983 World Cup win. India's famous cricket team that defeated West Indies and England in 1971 had little representation from eastern India, and Bishan Singh Bedi was the only representative of the north to be a member of both the tours. One only need listen to Mr Bedi and Kapil Dev to understand how parochial and steeped in Englishness the Indian teams of that era were.

In his exhaustively researched book, Prashant Kidambi, associate professor of colonial urban history at the University of Leicester, argues that the Indian cricket team that visited England in 1911 was the first effort at putting together a "representative national" team. That team was no symbol of nationalistic fervour aroused by the Swadeshi movement of 1905 and the partition of Bengal, which the British were forced to undo in 1911.

The team was "constituted by, and not

against, the forces of empire." If the team's visit to England was to affirm the imperial bond at a time of political upheavals in British India, its composition was less representative of Indian social realities. The team had six Parsis, three Muslims and five Hindus, including two Dalits. Bhopinder Singh, the Maharaja of Patiala, all of 19 years old and anxious about his place in the imperial establishment, led the team.

The author has written engagingly about the Parsi pioneers, who overcame British resistance to start playing cricket in what was then Bombay in the late 19th century. There is also a chapter on "Ranji" and another on the travails of the Patiala royal, the team's captain. Another on the "Indian Summer" in England in 1911, to coincide with the 'Festival of Empire' and grand coronation ceremony in London, is a delightful read.

If Ranjitsinhji is considered the father of Indian cricket, few remember his contemporary Jamsetji Merwanji, a Parsi gen-



## IL&FS exposes the rot in the rating agency system

Grant Thornton report clearly shows just how ratings were manipulated; some serious action must be taken

WHILE SOME RATING agencies mentioned in Grant Thornton’s draft audit report—on how rating agencies favoured IL&FS and various group companies—have put out press statements pointing to inaccuracies in the report, there is enough in the report for the authorities to take some serious action against these raters. The charges range from consciously delaying giving the correct ratings on group firms for years to giving them favourable ratings, as a result of which the investor public had no idea of just how precarious the group’s finances were; given this, it was easy for the group to amass a whopping ₹106,000 crore of loans. Just how big the hole in IL&FS’s balance sheet is can be judged from the fact that the government estimates state-owned banks will recover just half their loans. It didn’t help that, despite IL&FS’s impressive parentage—LIC owns over 25% of its equity and Orix of Japan owns 23%—and its illustrious board, no one seemed particularly interested in letting anyone know the true state of the group’s finances either. So between IL&FS’s management, the auditors that failed to notice anything and some rating agencies who fudged ratings, a rosy picture of the finances was put out. The IL&FS annual report for 2018, for instance, gives the company’s net profits of ₹584 crore within the first few pages, but it takes till the 210th page to know that group incurred a net loss of ₹1,869 crore that year; while the company’s borrowings are ₹15,935 crore, it is only in the consolidated balance sheet—also in the annual report—that you get to know the group debt is ₹106,483 crore.

While Moody’s has said that, contrary to what Grant Thornton alleges, it never asked for an additional fee for keeping its rating private—it says the fee for a private or a public rating was the same—the fact that a rating could be kept private allows the management to hide the truth from the investor public and the authorities. Indeed, Grant Thornton gives an instance of how an official of India Ratings also suggested that a rating it was giving could be kept private. The fact that the heads of both Care and Icra have been sent on leave makes it clear the boards of these firms are aware that the evidence against them is damning.

Just three firms of IL&FS—ITNL, IFIN and IL&FS itself—got 429 ratings done since 2011, so it is obvious that the group generated a lot of business; IL&FS had 347 group entities held through four levels of subsidiaries and the auditor fees paid rose from ₹4.5 crore in FY15 to ₹15.9 crore in FY17, before falling to ₹13.7 crore in FY18. While the group had good ratings till around the middle of last year, the Grant Thornton report indicates that rating agencies were worried about the group’s exposure way back in 2011, but still didn’t change their ratings; hardly surprising since, as the report shows, among other favours, the group helped a senior Fitch manager get a ₹44 lakh discount on a flat and donated another ₹25 lakh to a trust run by the chairman of ICRA. In December 2016, email records of IL&FS officials showed that Care was downgrading a group firm to BB+ with a stable outlook; after a round of discussions, this was bumped up to BBB- with a stable outlook! There are several such transactions that are spelled out in detail, but the real shocker is that in November 2011, Fitch had assigned a rating of AAA with a negative outlook for IL&FS; some discussions later, this became AAA with a stable outlook. Indeed, it wasn’t just Fitch, internal IL&FS correspondence showed that Care and Icra had similar concerns pertaining to IL&FS’s profitability, divestment, weak exposure in group companies, etc. Despite this, however, not a single rating agency indicated this; in one case, an IL&FS staffer edited the rating rationale given by ICRA. If no major action is taken against the rating firms who have been indicted by Grant Thornton, it would reflect very poorly on India’s regulatory system.

## Andhra for Andhraites ...

Will spur similar demands in other states, a bad idea

ANDHRA PRADESH CHIEF minister Jagan Reddy has dealt a big blow to the idea of a pan-Indian market for all goods and services—and for people migrating from one state to another in search of jobs—by passing a legislation that says 75% of all jobs, including in the private sector, have to be reserved for local youth; factories have three years to comply and, if adequately skilled people are not available, firms will have to train local people with the required skills. Some other states have similar stipulations, but that is for industries that are set up after availing of financial incentives from the state government. While it is early days yet, what is worrying is that some other states are also looking at laws similar to what Andhra Pradesh has just passed. Soon after he was sworn in, Madhya Pradesh chief minister Kamal Nath also suggested a law reserving the bulk of jobs for the local population. Apart from what this will do to states like Uttar Pradesh and Bihar that have a very large number of people migrating in search of jobs, what is more worrying is the potential spillover to other areas. In the power sector, for example, several state chief ministers are reluctant to let electricity be ‘exported’ to other states by units that are located within their boundaries—not allowing this ‘export’ lowers domestic prices—and moves such as the Andhra-for-Andhraites will only spur similar moves by other states. Indeed, last year, both Andhra Pradesh’s then chief minister Chandrababu Naidu and Karnataka’s then chief minister Siddaramaiah raised the issue of southern states subsidising the northern ones by contributing more to the central tax kitty.

Passing a law and implementing it, though, are not the same thing. Even in the case of Andhra Pradesh, the new law exempts industries like fertilisers, coal, pharmaceuticals, petroleum and cement for now; and it is likely that the stipulation does not extend to the IT industry. Maharashtra, similarly, introduced a law over a decade ago on reservations for those units that availed of state incentives, but the law was never really implemented. And when Karnataka planned a 100% reservation for Kannadigas in blue-collar industries—both infotech and biotech were kept out of its purview—this was given a quiet burial later. At a time when all states are competing to attract investment, it is difficult to see how such a policy that makes it more difficult for industry to work can possibly be implemented in both letter and spirit. Also, if it is implemented in earnest, it is unlikely it can stand legal scrutiny since it violates both Article 14 (Right to Equality) and Article 16 (Right to Equal Opportunity). It seems more a political play right now, but it is a good idea to keep a close watch on how things pan out.

## RelatedMATTER

Related party transactions falling could be a sign of improving corporate governance in the country

GIVEN MANY corporate fraud cases have had one or the other connection to related-party transactions (RPTs)—Satyam, WorldCom, Enron, Jet Airways, amongst others—RPTs are a tightrope for both corporate governance and regulation. RPTs have been eyed with suspicion in India because Indian business houses are often promoter-led. So, from the Bhabha committee (1952) and the JJ Irani committee (2005) to the Companies Law committee (2016), all have suggested some form of control; the Companies Act 2013 vested significant power to adjudge RPTs with the shareholders. According to the Act, RPTs, in general, require the approval of the company’s board and audit committee. In cases where RPTs exceed a certain amount—10% of net worth or annual turnover—the majority of the shareholders, excluding the interested parties, have to give their approval. However, when a RPT is done on arms-length basis, then such approvals are not needed.

Now, thankfully, India Inc seems to be moving away from RPTs—as per *Business Standard* that cites Capitaline data to the effect, RPTs have seen a decline over the past year. According to the annual profit and loss statements made public by S&P BSE 100 companies, RPTs accounted for 11.5% of net sales in FY19—down from 15.4% in FY18. The reason, as experts argue, could be that companies are now facing increased scrutiny with regards to such transactions. This bodes very well for corporate governance and also controlling fraud. While the decline in RPTs is an outcome of enhanced corporate governance—be it via enhanced scrutiny, questioning, or the rise in awareness amongst shareholders regarding such transactions—the fact is that there need to be provisions to guard against activist investors vetoing RPTs wholesale, even when one makes eminent business sense without running afoul of compliance.

● CHLOROPHILE

EFFECTIVE COLLATERAL ENFORCEMENT IS CRUCIAL IF FARMERS ARE TO MAXIMISE PROFITS BY STORING THEIR PRODUCE IN SCIENTIFIC WAREHOUSES AND BORROWING FROM BANKS

# Agricultural growth needs warehousing reforms

HOLDING THE ESSENTIAL Commodities Act (ECA) in abeyance except in emergencies for, say, 10 years, is one of NITI Aayog’s proposals for agricultural marketing reforms, its member Ramesh Chand said, articulating a demand of the warehousing industry. These will be considered by a committee of chief ministers that has just been set up. It is headed by Maharashtra chief minister Devendra Fadnavis. But, the founder of a start-up that can be called the Oyo of warehousing says it is not just the ECA, the difficulty in enforcing collateral is also deterring organised sector investments in commodity management and lending against agricultural produce.

Apart from low commodity prices, uneconomical holdings and a consumer-centric policy of holding prices down, one of the reasons why farmers who have made the country food secure, are themselves financially insecure is because produce markets are not decoupled from credit markets. Farmers borrow from input dealers or commission agents who force them to sell and clear their dues soon after the harvest, when prices are low.

If farmers could store their produce in scientific warehouses and borrow from banks against warehouse receipts, they could gain when prices rise. But, Sandeep Sabharwal, Group CEO of Sohan Lal Commodity Management (SLCM), says that enforcing the collateral “is the biggest problem” because “to liquidate the collateral I have to take it out of the warehouse *aur wahan pardus strongmen aake khade ho jaate hain* (strongmen prevent the stuff from being taken out).” The police, he says, are unhelpful. They say, “you are a company, he is a small farmer, *woh bechara mar jayega* (the poor guy will die).” He gives the analogy of a car and scooter accident, where the car driver is presumed to be in the wrong. “I have empathy, but if you have taken a loan and you are not servicing it, I cannot sit and say I will get a waiver from somebody. I have to enforce that collateral.”

It is like music, video and computer software piracy, which was once thriving

VIVIAN FERNANDES

The author blogs at [smartindianagriculture.com](http://smartindianagriculture.com)  
Views are personal

but has been brought under control because of the initiative of aggrieved corporate players. By making the police aware of the laws that protect intellectual property and providing actionable intelligence, they have smoked out the offenders. Since policing is a state subject, the chief ministers’ committee could focus on collateral enforcement too. Getting the police to act against politically-influential agricultural borrowers will be difficult, but is necessary if farmers are to get a wider choice of organised lenders.

The problem cannot be trivial when voiced by a company that claims to have handled 764 million tonnes of produce so far through the equivalent of 1,155 football fields of space (66.5 million square feet) across 4,081 warehouses—700 of them active—and none of which it owns. SLCM also has a finance company that lends only against the security of agricultural produce. In the last three years, Sabharwal says, it has given loans worth ₹1,975 crore against 44,522 warehouse receipts. That works out to an average loan size of ₹4.43 lakh. But Sabharwal says lending against small lots does not make commercial sense, though in a pilot project in Gujarat on behalf of a trust, it had lent against 10 kg of castor. To defray the expenses and make money on a lending rate of 12.5%, Sabharwal says the collateral offered should be 300–500 tonnes and the loan size about ₹50 lakh.

This is where aggregators come in. That task is now performed by *arhatiyas* or commission agents. But companies that abide by the law cannot deploy their methods of collateral enforcement.

Sabharwal says managing real estate is not what differentiates players like SLCM. Getting the desired space at fine rates is no doubt important. But, it is the knowledge of the science of preservation

of the collateral that sets the winners apart. The produce may gain excessive moisture in the monsoons, or lose moisture below the thresholds levels in summer and depreciate in value. It may get infested with bugs. Food-grade quality may deteriorate into animal feed. Preservation of the collateral in a form that makes it liquid or saleable at all times requires multi-year weather data of the storage location (temperature and humidity) to be paired with fumigation and aeration techniques that are unique to a commodity. The safe limits of exposure to fumigants vary. If it is an export commodity, the laws of the importing country will apply. If the produce has been grown organically, chemicals cannot be used. The collateral manager has to keep a tab of prices; if the value of the collateral falls below the comfort level, the borrower will have to top up. Curbing pilferage is very important. Warehouses must be monitored round-the-clock (remotely and centrally to check costs). Not only is access to them controlled but also readings from produce samples taken randomly are fed into GPS-enabled, hand-held devices and uploaded to a central repository. The warehouses are also secured with unique (plastic) seals.

Sabharwal regards his business more like that of insurance. SLCM has developed a piece of software (patent-pending for seven years) that throws up a check-list of things to do when a hand-held device is fed with essential information about the collateral. He says his company is properly into managing risks. If warehousing losses (around

10%) are brought down (as he claims) to 0.5%, he should get to retain a part of the value of the averted losses. Customers initially allowed him to do so, but when they realised he was gaining more than the warehouse rents, they renegotiated the contracts.

Sabharwal has the build of a sparrow and the intensity of a kite. He is steeped in the art: his grand dad, Sohan Lal, did the only thing he knew: run a dal mill which he set up in Delhi’s Kishanganj after fleeing Pakistan during the Partition. His father took over the reins thereafter. Sabharwal stepped him when his father fell ill. He interrupted his MBA training in the US and completed it in India while running the business.

SLCM has eight private equity investors who have put in ₹300 crore in five rounds of investment. On a topline of ₹3,600 crore last year, it made a profit after tax of ₹11 cr, says Sabharwal. He began with ₹16 lakh in capital and four employees. Currently, he has 1,500 persons on the payroll.

Growth for a company like SLCM can come from partnering with the government which is the largest procurer, transporter and holder of food grains. Despite acquiring itself well in dealings with the Bihar and MP state warehousing corporations, Sabharwal says he has to contend with inertia. The government chooses warehousing service providers on the basis of the lowest bids and not for their skill in assuring quality or reducing losses.

One of the reasons why the government resorts to policing methods to check speculative stocking, or hoarding, as it calls it, is because it lacks information about the stock of a commodity in the country. If warehouses were networked and posted their stock positions daily to a central registry, the government could regulate supplies and have a better grip on prices. That can happen when warehouse management is done substantially by organised players.

## LETTERS TO THE EDITOR

Big zero?

While auditors have an end-accountability to ensure non-conformances are addressed in order to mitigate risks of corporate delinquency and safeguard stakeholder-interests, the buck also stops at clients to preserve market goodwill and attain business-continuity. Stringent action against negligent/absconding fiduciaries can limit occurrences of wilful defaults, money-laundering/round-tripping and compromise on CSR initiatives. More than the reactive micro-monitoring and due diligence, regulators/authorities need to facilitate a business-culture where teething troubles are encouraged to be suppressed at their source via improved transparency, disclosures and timely flagging of grey-areas. The last thing that markets, resiliently hovering near the higher-end of the range, need is an inconsistent approach towards subprime lending, security-breach, redundant corporate actions and trade-practices. As it becomes increasingly difficult for underperforming entities to conduct business and thrive in the economy, authorities must also remain cognisant of the conflicting objectives, which more often than not confront the fiduciaries, i.e., acting in good-faith to preserve stakeholder interests versus not being too rigid on whistle-blowing to protect clients from potential losses. The latest pressure from the regime comes amidst crackdown on audit firms for allegedly overlooking corporate governance lapses in some companies. It is prudent to discourage cartelisation, especially in an ethical-sector, to avoid creation of entry barriers or a high-orientation towards profit-generation. — Girish Lalwani, Delhi

● Write to us at [feletters@expressindia.com](mailto:feletters@expressindia.com)





ILLUSTRATION: SHYAM KUMAR PRASAD

FOOD CAFE: MM MURUGAPPAN

# Industry doesn't need sops; it needs clarity in procedures

Over vegetarian lunch, the executive chairman of Chennai-based Murugappa Group tells Sushila Ravindranath how the group has been able to keep steady focus on agribusiness and financial services

**M**M MURUGAPPAN, THE executive chairman of the Chennai-based Murugappa Group—one of the largest family-run conglomerates in the country—is a fourth-generation member of the family. He took over from A Vellayan, who stepped down last year from that post when he had turned 65. It is mandatory for the chairman to retire at that age, and the Murugappa family strictly abides by the rules and values that have been passed down generations.

Since 2009, Murugappan was the

group's vice-chairman, spearheading technology, innovation, environment, health and safety initiatives across the group. I am meeting him for lunch at the dining room at the top floor of the group's headquarters at the Dare House building in Chennai. One of the landmark buildings of Chennai, Dare House was inherited by the Murugappa Group when it took over EID Parry, an old, fading British company.

It is a few days after the presentation of the Union Budget. I am keen to know his views and how the group has been dealing with difficult times—its focus

areas are agribusiness, such as sugar and fertiliser, and financial services, which are not easy businesses to run.

My dietary preferences have already been noted and we are served a delicious vegetarian lunch. We start with a light tomato soup. I ask Murugappan how did he react to Nirmala Sitharaman's Budget. "I always think of the Budget as a document that sets directions. The government tells us what it wants to do, and I am sure a lot of it will be done in due course of time. The industry needs no sops to make in India. What it requires is more clarity in procedures. Then there will be more enthusiasm, which will have a cascading effect on job creation, skill development and better quality of education. It is very important that the national policy percolates down to states, and we keep the dialogue going," he replies.

EID Parry, the company that the group took over in 1981, is the largest sugar manufacturer in south India. But sugar, one of the group's major businesses, has been shaky in the last few years. There has been oversupply and low prices. In fact, the company has had to shut down manufacturing at its Puducherry plant and also at two of its Tamil Nadu units.

Over some sprouts and grilled vegetable salad, Murugappan explains how the group is dealing with the situation. "We have nine sugar mills—five in Tamil Nadu and Puducherry, three Karnataka, and one in Andhra Pradesh. Wherever there is water, farmers are able to plant sugar cane. Nellikuppam in Tamil Nadu is suffering from drought-like conditions and the availability of sugar cane is very low. Even in Karnataka there is shortage of rain. The three major oil marketing companies have released tenders for supply of 329 crore litres of ethanol. We have permission from the Tamil Nadu government to convert impure spirit to ethanol at Nellikuppam and Sivaganga plants in the state. We are doing it in select areas where molasses is available."

All the sugar manufactured by the group is supplied to institutions with particular needs, helping make more downstream products. "We look at our-

selves as a food manufacturing company. Selling sugar directly to the end-customer is a tough task," he says.

Our main course consists of mixed rice, rotis and vegetables, along with crisp vadais. I want to understand whether the group will hold on to sugar business or not? After all, it has shed some unprofitable businesses earlier. "As long as we have a viable strategy to take forward, we will continue to be in the sugar industry. Our current strategies are good for the long term. We have a large stakeholder community, the farmers, and we can't let them down."

The Murugappa Group has 800-plus retail outlets to sell fertilisers and agriproducts largely in Andhra Pradesh, Karnataka, Telangana and parts of Maharashtra. "In the last few years, we have hired a large number of agronomists working with farmers to improve customer needs. On the manufacturing side, we constantly improve the quality of inputs," he says.

He adds that there are concerns because of the monsoons. "We will do our best working closely with the farming community. We have to constantly follow the developments in agriculture in the country. There has been no growth in arable lands, but farm productivity has increased. There has been significant improvement in horticulture, fruit and vegetables. However, water is going to be a major challenge. We have to learn to conserve and preserve water."

He says the country has to think through all this. "There are changes taking place, but not fast enough. If more corporate farming happens in certain areas, it will help. There are many issues like storage to be dealt with. I am hoping changes will happen without being pushed to the wall."

As we are about to finish the main course, I ask him how Cholamandalam Finance, the group's financial services company, has not only survived the crisis the NBFCs have faced, but has also done well. "I would say it is due to discipline, prudence and conservatism. We stick to what we do best. Asset liability remains matched. We have a good equation with banks. It is the fastest growing part of the Murugappa Group."

I am given a choice of three desserts—fruits, ice cream and *ras malai*. Having had a healthy lunch so far, I opt for ice cream and Murugappan orders fruits. We talk about the group's other businesses, most of which are steady performers. Companies on the engineering side such Tube Investments and Carborundum Universal (CUMI) will be transforming themselves to make products for emerging areas such as electric vehicles. "Last year, CUMI applied for 47 patents. We are moving towards providing comprehensive solutions to customers," he says.

The Murugappa Group's turnover was ₹36,093 crore for the year ending 2018-19. It has 28 businesses, including nine listed companies traded at both the NSE and BSE.

Lastly, how does it feel running a legacy company that was founded as long ago as in 1900? "I feel a great sense of gratitude for being given this opportunity. All my predecessors have played very important roles in taking the group forward. We all subscribe to a common set of values. The fifth generation is always welcome to work for the group. If they want to do something else, we will not discourage them," he replies.

As we walk towards the lift, Murugappan tells me that he believes in four simple themes in running a business, which are: Is my order load increasing? Is the quality of my customer engagement improving? How do I increase the quantum of profit and cash flow? Am I providing a safe working environment with happy and satisfied employees?

"I believe in keeping things as simple as possible," he says.

sushila.ravindranath@expressindia.com

Sugar, one of the group's major businesses, has been shaky in the last few years. It has had to shut down manufacturing at its Puducherry plant and at two of its Tamil Nadu units

INDIA'S TRAJECTORY

## An innovation powerhouse

CHANDRAJIT BANERJEE

The author is director general, CII



From low-cost vaccines to a frugal space project, India is known for innovation

**I**NNOVATION IS THE key driver for sustenance and prosperity of start-ups or conglomerates or governments trying to maximise their service delivery, or institutions excelling in research and academics. Innovation is the process for measurable value-enhancement in any activity. The process can be a breakthrough or disruptive one, ushering in game changing business practices. It could also be incremental or iterative one, resulting from continuous improvements for better customer satisfaction and market share. Disruptive innovation brings something 'new to the world' and hence it is associated with higher business risk. On the other hand, incremental innovation introduces something 'new to the market' and thus it is fraught with less risk.

Innovation has been defined as commercially successful exploitation of new technologies, ideas or methods by introduction of new products or processes or by improvement of the existing ones. As it is important for companies to understand business and societal challenges to sustain in the long run, they need to keep abreast with game changing scenarios and embrace them with innovative solutions. The need for creating a well-structured innovation ecosystem has been appreciated by many countries to establish competitive edge and to improve the quality of life of their citizens. Governments in developed countries have a range of instruments to stimulate innovation by individuals and firms, and reduce their risk perception.

Realising the importance of innovation and its economic implications in terms of wealth creation and employment generation, the Indian government has taken steps for creating a favourable ecosystem for innovation. A conducive ecosystem paves way for entrepreneurial minds to unlock their potential and start new ventures, thus creating a competitive environment. India needs to boost its innovation ecosystem by intertwining among various stakeholders like the government, industry, academia and society to transform India as an attractive innovation destination.

The Confederation of Indian Industry (CII) has been orchestrating initiatives towards creating and fostering innovation among the Indian industry and encouraging entrepreneurial ventures. As per the Global Innovation Index (GII), of which CII is the founding knowledge partner, India has moved up to 57th rank (the country was ranked 81 in 2014). And it is natural for India to aspire for reaching the club of top-25 most-innovation-driven economies in the world very soon.

In fact, GII has been instrumental for many countries to reshape their policies and design an actionable agenda for innovation excellence. This year's annual GII report and ranking of their innovation performances are awaited by all the participating countries—India's position on this index is also being watched carefully by the stakeholders, including the government and industry.

This year's GII theme "Creating Healthy Lives: The Future of Medical Innovation" is important and relevant for India because we would need a strong focus on medical innovation towards the goal of bringing healthcare and its delivery to all Indians. Over the years, the GII report has been launched from various cities across the world, but this year, for the first time, the report would be launched from India—on July 24, 2019—in New Delhi. This is a proud moment for the country and the countrymen.

India is well-known for its trust with innovation, especially in developing low-cost vaccines and their widespread application, to a frugal space programme indirectly touching millions of lives by providing effective advance data on cyclones, etc. In addition, India's global leadership in information technology has positioned the country as a software superpower. I am hopeful that this year's GII report will positively influence India to embrace innovation in all spheres, ranging from governance to business excellence to various facets of technology.

India must aspire towards reaching the club of top-25 most-innovation-driven economies in the world

**A**N OVERWHELMING NUMBER of studies show that working mothers face a motherhood penalty—resulting in lower earnings and poorer evaluations from superiors—while men receive a fatherhood bonus. Stories abound of women struggling to balance motherhood and a career, while stories of men failing to balance children and a career are largely absent. A new study helps to explain why. According to research by Kate Weisshaar of the University of North Carolina at Chapel Hill, finding out of work to care for children has negative consequences for both parents, but it is considerably worse for fathers who choose to stay at home in competitive job markets.

To analyse this effect Ms Weisshaar distributed thousands of fictitious cover letters and CVs to real job postings in 50 American cities for five different types of job. These fictional jobseekers were all parents with similar credentials. They differed only in their work history and in their gender. While some said they had jobs in the cover letter, others said they were unemployed as a result of lay-offs. The third group declared that they had been stay-at-home parents.

The study found that parents who had opted out of work to care for children were least likely to receive a call back for an interview. Whereas 15% of employed parents and 9-10% of unemployed fathers and mothers received interviews, only 5%

## The daddy trap

Fathers face higher penalties for taking parental leave than mothers do

of fathers who had taken time out of the workforce to care for children were called back. The depressed responses were not simply a result of unemployment. Parents who opted out of work were about half as likely to get an interview as parents who were unemployed because of lay-offs.

According to Ms Weisshaar's study, Americans see opting out to care for children as a sign of lower commitment to work and even flakiness. Employers are least likely to hire fathers who are caring for children when the job market is competitive. In less competitive markets, 7% of these fictitious stay-at-home dads got interviews. In more competitive ones, fathers received only one-third as many callbacks. By comparison, 5% of mothers received callbacks,

and the rate was not affected by how competitive the market was.

Whereas mothers who take time off to rear offspring face difficulties when returning to work, opt-out fathers may fare worse, says Scott Behson, author of a book called "The Working Dad's Survival Guide: How to Succeed at Work and at Home". America has a workaholic culture, he says. Mothers who put their families first eschew that culture, resulting in costs to their careers. But fathers who do so are violating both the workaholic culture and traditional gender norms.

According to the Pew Research Centre, women are the sole or primary breadwinners in 40% of American households, and 15% of mothers with children younger



than 18 earn more than their husbands. In heterosexual unions, families often decide that a father should stay at home because he has been laid off from work or the mother has a higher-earning career, says Brad Harrington of the Boston College Centre for Work and Family. In 2016, 6% of fathers were stay-at-home. That number is likely to grow as women achieve higher levels of education than men, and American jobs shift away from male-dominated professions to female-dominated ones. Unless norms about who should be responsible for what change, the opt-out penalty will become a bigger problem as more fathers make the choice to stay at home.

THE ECONOMIST

## Fast tracking economic growth

BK GOENKA

The author is president, ASSOCHAM

**W**ITH A VISION to make India a \$5-trillion economy and to support long-term economic growth, the Modi 2.0 government is focused on investing massively on building infrastructure—railways, roads, aviation, ports, smart cities, power, and multiplicity connectivity. This will have a multiplier effect, including creation of jobs at various levels. In fact, the government intends to invest ₹100 lakh crore in the infrastructure sector over the next five years.

For the railways, the government plans to mobilise ₹50 lakh crore worth of investment by 2030. Between 2018 and 2030, the amount will be spent towards connectivity and expansion of the sector. This will also help boost India Inc's last-mile connectivity.

The government has proposed to prepare a blueprint for regional airports. Currently, under the UDAN scheme, more than 100 airports are operational. This will lead to inclusive economic development.

Then there is a plan to launch the second phase of the Bharatmala scheme. The roads ministry is already developing 35,000-km of roads under phase 1 of the scheme, at an estimated cost of ₹5,35,000 crore. In addition, the outlay on metro projects has increased from ₹14,265 crore to ₹17,714 crore. And 1.25 lakh km of road length will be upgraded under the Pradhan Mantri Gram Sadak Yojana (phase 3) at an investment of ₹80,250 crore.

To harness India's 7,500-km coastline, the Sagarmala scheme will look into the development of ports and related infrastructure to reduce the high logistics costs for exports as well as for domestic trade with minimal infrastructure investment, which will also increase the overall efficiency of the supply chain sector. In India, logistics costs as a proportion of total business costs are in the range of 14-16%, compared to 8-10% of the total business cost in developed countries.

All these announcements concerning the overall infrastructure sector are pro-growth, realistic and backed with a plan.

Infrastructure is the foundation of a strong economy, and infra investment would have an enhanced and positive impact on supply chain, connectivity, productivity, and overall socio-economic development of India.





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TELLING NUMBERS

Public spending on health: Jammu & Kashmir, Assam lead

JAMMU AND Kashmir and Assam spent the largest fraction of their Gross State Domestic Product (GSDP) on public health, according to National Health Accounts Estimates 2015-16, the Ministry of Health and Family Welfare told Parliament last week.

The share of Government Health Expenditure (GHE) in the GSDPs of J&K and Assam were 1.7% and 1.5% respectively, the data show. Haryana and Maharashtra are towards the lower end of the table, having spent 0.6% and 0.7% of their GSDPs on health respectively.

In his reply to questions by Su. Thirunavukkarasar of the Congress, and Rajiv Ranjan Singh and Kaushalendra Kumar of the JD(U), Minister of State Ashwini Kumar Choubey said the National Health Policy of 2017 envisaged "increasing state sector health spending to more than 8% of their budget by 2020".

The NITI Aayog's Three Year Action



Agenda, 2017-18 to 2019-20' calls for a significant increase in government expenditure on public health "to cover screenings for the entire population, active case detection, and disease surveillance from the private sector".

It also envisions the mainstreaming of "evidence-based preventive health interventions" such as breast-feeding and infant and young child feeding during up to the age of two through adequate budgetary allocations and national level action plans.

GOVERNMENT HEALTH EXPENDITURE (GHE) AS %AGE OF GSDP

MOST		LEAST	
Jammu and Kashmir	1.7	Haryana	0.6
Assam	1.5	Maharashtra	0.7
Himachal Pradesh	1.4	Gujarat, Karnataka, Punjab, Tamil Nadu	0.8
Uttar Pradesh	1.3	Telangana, Uttarakhand	0.9
Bihar, Rajasthan	1.2	Andhra Pradesh, Jharkhand, Kerala, Odisha	1

Source: National Health Accounts Estimates 2015-16

THIS WORD MEANS

TIANGONG-2

China's decommissioned manned space station

TIANGONG-2 WAS a manned Chinese space station that was destroyed upon its controlled re-entry into the Earth's atmosphere over the Pacific Ocean on July 19. Tiangong-2 was retired from service after it had completed its experiments in space.

Tiangong-2 was 10.4 metres long and 3.35 metres wide at its widest point, and weighed 8.6 metric tonnes. It was launched on September 15, 2016 and, in late 2016, hosted two Chinese astronauts for 30 days in what was China's longest manned space mission so far.

The recently decommissioned space lab followed the Tiangong-1, China's first space station, which crashed into the southern Pacific Ocean on April 1, 2018 after Chinese scientists lost control of the spacecraft in March 2016. China had launched Tiangong-1 in 2011 as proof-of-concept of technologies for future stations. The lab was visited by two teams of Chinese astronauts for 11 days and 13 days respectively.

Unlike Tiangong-1, scientists were always in control of Tiangong-2. The space lab, which China had never intended to be a permanent post in space, was visited by an uncrewed mission in April 2017. The mission refuelled the station, tested



The Tiangong-2 space station. China Manned Space Engineering Office via The NYT

out a new spacecraft, and conducted some "robotic demonstrations". Tiangong means "Heavenly Palace".

Most of Tiangong-2 burnt up in the atmosphere, and the remaining debris fell near Point Nemo, the most remote location on Earth, which is so far from land that its nearest neighbours are often astronauts in space. China expects to complete its space station, Tianhe, which will be able to host three astronauts for long durations, around 2022.

MEHR GILL

NIRUPAMA SUBRAMANIAN  
MUMBAI, JULY 23

WITH THE visiting Pakistani Prime Minister Imran Khan by his side, US President Donald Trump said Monday that Prime Minister Narendra Modi had asked him to mediate on Kashmir, and that he "would love to help".

Trump's claim has since been rebutted by Ministry of External Affairs spokesman Raveesh Kumar and External Affairs Minister S Jaishankar. India has reiterated its longstanding position that there is no room for mediation in Kashmir or on any other India-Pakistan issue and that all outstanding matters between the two countries would be resolved through bilateral dialogue — but only when Pakistan ends cross-border terrorism in India.

India then, has all but called President Trump a liar. How this impacts on the present uneven and unpredictable relations with the United States remains to be seen. The response from both sides may well be to bury the episode quietly and move ahead.

Hours after Trump's statement, the State Department tweeted to control the damage: "While Kashmir is a bilateral issue for both parties to discuss, the Trump administration welcomes Pakistan and India sitting down and the United States stands ready to assist."

US Congressmen on both sides of the political divide were reported to have "reiterated support for the longstanding US position on the Kashmir dispute", and criticised Trump's "amateurish and embarrassing mistake".

Why India insists on bilateralism with Pakistan

The Indian position has historically stemmed from its mistrust of outsiders meddling in its internal affairs, the strongly felt need to protect its secular nationhood project, and suspicion that mediators viewed Kashmir through Pakistani eyes.

Jawaharlal Nehru, who took Pakistan's invasion in 1947 to the United Nations, was quick to realise his mistake. The UN missions flowing from the resolutions, including the Dixon Mission, which led to the Dixon Plan of 1950 for partition of some areas of Jammu & Kashmir between India and Pakistan (Ladakh to India, PoK and Northern Areas to Pakistan, with Jammu divided between the two), plus a plebiscite in the Valley, strengthened India's determination to shut the door on international mediation. (See A G Noorani on Dixon Plan, *Frontline*, October 12-25, 2002)

The framework for bilateral resolution of problems between India and Pakistan was written into the 1972 Simla Agreement and reiterated 27 years later in the Lahore Declaration. Nonetheless, Pakistan has continued to view the "internationalisation" of the Kashmir issue as its best bet towards reversing J&K's accession to India, and has used every global forum to criticise India's "illegal occupation" of Kashmir.

The American 'hand', playing out earlier too

While India has mostly succeeded in conveying that it would brook no third-party mediation, Trump's offer is not the first time that an American leader has sought to "help" India and Pakistan resolve the Kashmir dispute.

■ In 1993, Robin Raphel, who headed the State Department's newly created South Asia division in the first Clinton Administration, sought to junk the Instrument of Accession, and asserted that for the US, Kashmir was "disputed territory", undermining years of Indian diplomatic efforts.

Her statement was taken far more seriously than Trump's remark on Monday, and in India, she was seen as being pro-Pakistan and anti-India. It was at that time that the Kashmiri people began to be viewed as the third side to what was until then perceived as an issue between just India and Pakistan. In 1995, Raphel told the US Senate Foreign



Robin Raphel, a senior State Department official in the first Clinton Administration (seen here with Farooq Abdullah) asserted that for the United States, Kashmir was "disputed territory" and that it had offered to help resolve it. Express Archive

Relations Committee that "[o]ur top foreign policy goals in South Asia reflect the Administration's global priorities. Reducing tensions and helping to resolve conflicts peacefully... We are continuing efforts to persuade them to begin a serious attempt to resolve this dispute... The United States has offered to assist with this process, if India and Pakistan so request. We have no preferred outcome. But we recognize that a resolution is long overdue and essential for the long term stability of the region as a whole."

As New Delhi's post-liberalisation economic clout grew, Raphel's influence in the State Department faded. Clinton 2.0 embraced the Indian stand on bilateralism. But as Pakistan's hand in the 1990's uprising in Kashmir and cross-border terrorism became apparent, it was India that sought outside help to rein in Pakistani meddling in the Valley.

■ In 1999, the year after India and Pakistan went nuclear, it was US intervention that brought the Kargil crisis to an end. The Vajpayee government had been in touch with the Clinton Administration to get the Nawaz Sharif government to call off the intrusion in Kargil, even as the Indian Army fought the Pakistani forces.

Sharif arrived in Washington on July 3, seeking Clinton's help for a face-saving ceasefire that would include a US-guaranteed settlement on Kashmir. But he had to agree to an unconditional withdrawal of Pakistani forces back to the Line of Control. Clinton denied him a face-saver on Kashmir, and reaffirmed

In February, Trump claimed to have defused the India-Pakistan standoff that arose from the Pulwama attack. The US played a role in forcing China to agree to the designation of Jaish chief Masood Azhar as a "global terrorist". Most recently, the US President took credit for the arrest of Lashkar founder Hafiz Saeed in Pakistan

the US commitment to the bilateral Lahore Declaration signed earlier that year as the best way forward to resolve Kashmir and other issues.

■ After 9/11, which ushered in the UNSC-backed international legal regime against terrorism, India has looked increasingly to the world for help in dealing with Pakistan. But this was on one issue alone: an end to the terrorist groups that flourish on Pakistani territory, to put pressure on the Pakistan Army and political leadership to desist from permitting anti-India terrorist activity on its territory, and to censure it when such attacks took place. It was the US again that defused tensions, and persuaded India away from a war with Pakistan after the 2001 Jaish-e-Mohammad attack on Parliament.

■ Asking international players for help on Pakistan on one thing, and telling them to respect India's red lines on other kinds of involvement has had its moments. But for the same reasons that India has been able to get its way mostly on this — the nuclearisation of South Asia and the growing global interest in India's economy — members of the global community have, from time to time, also evinced interest in mediation in Kashmir.

In 2008, when Barack Obama was a candidate for his first term in the White House, he told *Time* in response to a question on Taliban attacks in Afghanistan from across the Pakistan border: "Working with Pakistan and India to try to resolve Kashmir crisis in a serious way... [is among the] critical tasks for the next administration. Kashmir in particular is an interesting situation where that is obviously a potential tar pit diplomatically. But, for us to devote serious diplomatic resources to get a special envoy in there, to figure out a plausible approach, and essentially make the argument to the Indians, you guys are on the brink of being an economic superpower, why do you want to keep on messing with this? To make the argument to the Pakistanis, look at India and what they are doing, why do you want to... [be] bogged down with this particularly at a time where the biggest threat now is coming from the Afghan border? I think there is a moment where potentially we could get their attention. It won't be easy, but it's important."

India was quick to disabuse him of this

idea, and Obama never brought this up again in the eight years of his presidency.

Other efforts: The United Kingdom and Norway

The United Kingdom, which has a large diaspora from the PoK, has also shown interest in being a mediator. International interest in Kashmir has usually found expression when there's a vacuum in India-Pakistan engagement, when "nothing" seems to be happening on the bilateral front, and especially if the Kashmir issue is also on the boil in the same period, as it has been over the last five years.

Last year, apart from the UN Human Rights Council's stinging report on Kashmir, former Norwegian Prime Minister Kjell Magne Bondevik visited Srinagar, met with the separatist leadership there and, after returning, went on to visit Pakistan-occupied Kashmir.

Norway's long history of mediation in conflict situations prompted much speculation over Bondevik's visit. On the Indian side, he told *The Indian Express*, he had been invited by Art of Living founder Sri Sri Ravi Shankar. The Indian government, which had evidently cleared and facilitated his trip to the Valley, did not comment; the Norwegian Ambassador to India later clarified that it was a personal visit.

Understanding President Trump's comment

There could be several reasons for Trump trying to wade into Kashmir.

For one, he may think it is easy. In February this year, he claimed to have defused the India-Pakistan standoff that arose from the Pulwama attack. The US is said to have played a part in the release of an Indian Air Force pilot who was captured across the LoC.

The US also played a role in forcing China to agree to the designation of Jaish chief Masood Azhar as a "global terrorist".

And most recently, Trump took credit for the arrest of Hafiz Saeed. Perhaps, the US President thinks he is already half way to solving the problem. He may also believe that if his Administration succeeded in dragging the Taliban to the negotiating table in Afghanistan, it can do the same with India and Pakistan.

What are the Mauritius Leaks, why are they important?

RITU SARIN

NEW DELHI, JULY 23

What are the Mauritius Leaks?

After Swiss Leaks, Panama Papers and Paradise Papers, over 200,000 emails, contracts and bank statements leaked from Mauritius show how the island nation was used by a long list of corporates to facilitate partnerships with multinationals and, without paying any capital gains tax, remit profits as Foreign Direct Investment (FDI) to India.

At the heart of the 18-country collaborative investigation by the International Consortium of Investigative Journalists (ICIJ) and *The Indian Express* are data from Conyers Dill & Pearman, an offshore specialist law firm with several Fortune 500 companies as clients, which started operations in 1928 from Bahamas — and in 2009 from Mauritius for investments being routed to Africa and Asia.

What is Conyers Dill & Pearman, the company at the centre of the leaks?

In 1998, Bermuda-based financial analyst Roger Crombie described the company in his book as a "full-service" law firm with an emphasis on corporate and commercial law, and offering property, trust and management services to companies and individuals.

The firm's three founders — James Reginald Conyers, Nicholas Bayard Dill and James Eugene Pearman — were all knighted and held public positions in Bermuda. Over the decades, its Private Client department helped individuals minimise their exposure to taxation, and protect family assets, through various Trust structures. The company opened offices across the world — in Guernsey, Cayman Islands, Hong Kong, London and the British Virgin Islands (BVI) — with offshore entities incorporated at these sites under an affiliate company, the Codan Trust.

Why is the Mauritius connection important?

Conyers Dill & Pearman was among those who benefitted in the decades when there were tax breaks for companies and corpora-

tions routing their investments to India via Mauritius, among other offshore destinations. In 2016, India amended its Double Taxation Avoidance Agreement (DTAA) with Mauritius, and the new provisions — capital gains tax, instance — are now fully applicable.

In an interview published in the June 2019 edition of business magazine *CEO Today*, Ashvan Luckraz, an associate in the firm's Mauritius office, said: "The challenges include the recent changes made to the double taxation avoidance agreement between Mauritius and India, which has brought uncertainty to the market. Furthermore, the advent of GAAR (General Anti Avoidance Rule) in India... and CRS (Common Reporting Standard) across major financial centers are bringing the Mauritius corporate structure under more scrutiny."

What did the law firm do in Mauritius before the treaty was amended?

It offers to set up funds, supply local directors, registered local offices, secretarial and administrative services, and assist in bank account opening/government filing.

A power-point presentation of the firm, which is part of the leaks, claims that it can set up a GBCI (Global Business Company, tax resident in Mauritius) within 10 working days for an annual licence fee of \$1,750. It points out that companies registered in Mauritius had to pay an effective income tax slab not exceeding 3% and no capital gains tax.

The presentation notes: "We act on a large number of inward and outward investment transactions involving India and Africa (as well as other jurisdictions) and are notably established in the traditional markets



ICIJ  
THE INDIAN EXPRESS  
INVESTIGATION

that invest in India and Mauritius."

In offers attractive "tax benefits and favorable fiscal regime" from Mauritius. They claim to introduce clients and companies to a "low/zero tax regime" where no capital gains tax would be payable in Mauritius.

What are some of the "transactions" listed by the firm in the leaks?

■ Advised Vodafone Group plc on its \$5.46 billion acquisition of a 33% stake in Vodafone Essar Ltd, a joint venture between Vodafone and Essar.

■ Advised on the formation of two Mauritius-domiciled investment funds (with a Swiss Bank as manager), which are both investing in India, in listed securities and fixed income products.

■ Advised a leading venture capital fund on restructuring its India-focused funds, which are domiciled in Mauritius and the Cayman Islands, and advising on the formation of new funds.

How did the tightening of rules in India

affect the firm?

Leaked data show that before countries like India decided to rein in tax treaty benefits to increase their own tax base, bankers and companies like Conyers Dill & Pearman raised red flags over tightening regulations and compliance.

One leaked letter, received by Ashvan Luckraz, lists the concerns of several members of the Association of Trust & Management Companies of Mauritius. One member notes how banks like HSBC and Standard Chartered have removed non-profitable account holders for "compliance reasons".

Another notes: "I believe that insane levels of responsibility and due diligence requirements heaped onto them (the banks) has rendered the service all but impossible, and therefore uneconomical. Every time India or the OECD (Organisation for Economic Co-operation and Development) clears its throat, we overreact with more destructive regulation..."





The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

SOUND AND FURY

Outrage on Trump's Kashmir remarks may be preventing India from seeing significance of Trump-Imran talks on Afghanistan

DIPLOMACY IS ESSENTIALLY a craft with words. The objective is to ensure precise communication of a government's intent to friends and foes. That is the reason why diplomats devote so much time to chiseling the language their leaders use in speeches and statements. Sometimes they deliberately resort to imprecision to fudge issues. US President Donald Trump, however, has largely dispensed with the communication teams at the White House. Trump tweets impulsively, is not always deferential to facts, nor stays true to the briefing books. India should therefore treat his remarks at a joint press appearance with Pakistan premier Imran Khan on Monday with more than a pinch of salt. Compare, for example, Trump's remarks on PM Narendra Modi asking him to mediate on Kashmir and his willingness to do so with other recent statements. A few days earlier, Trump had claimed that it was American pressure that led to Pakistan "finding" the LeT boss Hafiz Saeed, a man who never chose to hide. Meeting a group of individuals from around the world facing religious oppression last week at the White House, Trump asked "where Myanmar was" when the discussion turned to the Rohingya.

If Trump is careless with words, India and Pakistan tend to be too obsessed with them, especially when it comes to Jammu and Kashmir. Words like "mediation" and "internationalisation" trigger quick and angry responses from Delhi. Islamabad never misses an opportunity to draw other powers and organisations into the Kashmir question. Words are important, but never more than actions. Every remark by a leader does not signify policy. Under Modi's leadership, Delhi has learnt not to jump every time the word mediation is used by others and treat many of these with the political disdain they deserve. But the media and the political class remain jumpy as ever. When Trump made a direct and specific claim on Modi asking for mediation, the Foreign Office was right to make a quick and unambiguous rebuttal. The government also responded to Trump's claim in Parliament. Recognising the potential damage to relations with Delhi, which has always rejected third party mediation on Kashmir, the US State Department found a way to mollify Indian sentiments without saying Trump was wrong. Its statement calling Kashmir a "bilateral issue" the US would be "ready to assist" on, is a classic use of diplomatese.

Unfortunately, the outrage on Trump's Kashmir remarks may be preventing India from seeing the larger significance of the talks between Trump and Imran on Afghanistan. Trump is eager to end America's prolonged war in Afghanistan and wants Pakistan to extricate him by getting the Taliban to agree to a peace settlement. He is ready to reward Pakistan if there is a deal to his satisfaction. The Pakistan army — which is doing the real negotiation with Trump's officials — is now turning that leverage into specific gains. The outcome of this bargain on Afghanistan will have profound consequences for India's neighbourhood, especially on the political future of Kabul and Pakistan's regional and international position. American mediation on Kashmir should be the last thing Delhi needs to worry about.

THE RIGHT TO KNOW

Government must address apprehensions over amendments to RTI law, send bill to a parliamentary committee

THE AMENDMENTS TO the RTI Act passed in the Lok Sabha on Monday have rightly drawn criticism from the Opposition and a large section of the civil society. The bill, which threatens to dilute the autonomy of the Information Commission at the Centre as well as states, should have been debated extensively in public forums before its passage through the Lok Sabha. The RTI Act was the outcome of grass roots advocacy and public mobilisation by civil society groups. The law has pushed the case for transparency in administration and been a precious tool for activists to force the bureaucracy to share information concerning public policy and delivery of services and goods in the public domain.

The proposed amendments concern Sections 13, 16 and 27 of the RTI Act. These relate to the rank, tenure, salary, terms of service of the information commissioners at the Centre and the states. So far, the appointment of information commissioners has been for a fixed term of five years or up to the age of 65. The amendment proposes that these appointments should be for "such term as may be prescribed by the Central Government". The unamended Act prescribes salaries, allowances and other terms of service of the state chief information commissioner as "the same as that of an Election Commissioner", and the salaries and other terms of service of the state information commissioners as "the same as that of the Chief Secretary to the State Government" — the amendment proposes that these "shall be such as may be prescribed by the Central Government". Critics argue that these changes are a precursor to the government curtailing the autonomy of the Information Commission. Nearly 60 lakh applications are filed by citizens under the Act to source information. Not surprisingly, state institutions and ruling parties, particularly the BJP, have been hostile to this Act. The pushback has come in the form of exclusion of various offices from the ambit of the Act, deliberate slowing of the process, refusal to fill up vacancies and clear the backlog of RTI applications.

The government should send the bill to a parliamentary standing committee, as demanded by some Opposition MPs. It is unfortunate that changes are proposed to a law meant to make the system more transparent in a non-transparent manner.

OLD TRICKS

FaceApp is being accused of stealing data. The paranoia could be a welcome sign of digital literacy

WHEN YOU GET old, you'll look like yourself, only older. The fact that there's an app to visually illustrate the obvious, should come as no surprise. Nor, perhaps, should the joy that millions of celebrities and commoners seem to be getting by posting digitally-aged photos of themselves. What is a surprise, a refreshing one, is the suspicion over FaceApp's surge in popularity. While the app was first launched in 2017, it has had over 100 million downloads since it introduced the "ageing" feature last month, which allows users to upload a photograph and have it morphed, through a "neural network" AI system-based filter.

Much like Facebook's 10-year-challenge that went viral earlier this year, FaceApp sparked concerns that the vast inventory of photographs it is collecting will be used to develop facial recognition software, make possible identity theft. The "terms of service" of the app state that users grant its creators "perpetual, irrevocable, nonexclusive, royalty-free, worldwide" use of any data they share. The panic around privacy has been enhanced by the fact that FaceApp's parent-company is Russia-based, "Russian hacking" having become synonymous for some Americans with fixing elections, undermining choice.

The panic around FaceApp could be dismissed as a throwback to Cold War-era paranoia. But in the off chance that Vladimir Putin isn't actually interested in your beach-side selfie, (FaceApp has clarified that it deletes most of its data every 48 hours and stores it on temporary servers in the US), the paranoia may be a positive thing. It could mean that a degree of data literacy has permeated internet users, that the cost of every internet fad will now be weighed and measured.



KHALED AHMED

PRIME MINISTER IMRAN Khan was accompanied by Pakistan's Army Chief, General Qamar Javed Bajwa, when he went to the United States on July 20 to meet President Donald Trump at his invitation. The general had to accompany him and take part in the discussions to "legitimise" them. (The widely held view is that the army really rules Pakistan.)

The meeting went unexpectedly well as both leaders abandoned their well-known loose-tongued aggression and agreed on getting together on Afghanistan to help the United States get out of that country. It was clear that Washington believed that Pakistan could get the Afghan Taliban to settle with the Ashraf Ghani government in Kabul while controlling half of Afghanistan. Its unblocking of \$1.2 billion aid to Pakistan clearly signalled this optimism.

The Pakistan-US thaw was coming, mainly because Pakistan, driven into a corner, was willing to change its policy. Clearly, Trump softened after Pakistan submitted to the fiat of the Forward Action Task Force (FATF) to clean up its act of proxy war and arrested its non-state actors bothering India across the Line of Control in Kashmir. General Bajwa had earlier joined Imran Khan to promote "normalisation" with India through the facility of the Kartarpur Corridor — which President Trump pointedly appreciated — and had talked of developing trade and "connectivity" with India.

Things are panning out in favour of a US-Pakistan thaw. The four-party meeting on the Afghan peace process earlier this month, comprising China, the US, Russia and Pakistan, had come up with a "peace settlement" in Afghanistan that literally ousted India and Iran from the conflict. Reacting to the move on July 14, ex-Indian diplomat MK Bhadrakumar wrote that India has lost the Afghan proxy war: "In a

The change triangle

Things are panning out in favour of a US-Pak thaw. Time may also be right for India-Pak normalisation

The world knows that Pakistan is helpless in the face of its own internal lack of sovereignty vis-à-vis its non-state underworld of 'jihad'. It is trying to 'reform' its 32,000 madrassas that nurse youths with no real function within Pakistan, threatening it today more than India. It needs India's help to ensure its own survival and that help can come only through normalisation of relations, through connectivity 'with' and 'through' Pakistan.

regional setting, it also signifies that Pakistan has inflicted a heavy defeat on India in the decade-old proxy war in Afghanistan."

For Pakistan, Trump's decision to declare the Baloch Liberation Army (BLA) as terrorist came as an unexpected gesture despite there being a pro-Free Balochistan lobby in the US Congress. Bhadrakumar's reference to "proxy war" pointed to this development. (Pakistan holds a naval officer of India, accusing him of being a secret agent orchestrating terrorist acts in Balochistan.) Trump also jolted India by accusing it of not opening the Indian economy enough for American trade and threatened to clamp new tariffs on Indian exports to America. New sanctions on Iran also affected Indian trade with Iran. It was forced to stop buying Iranian oil and spend less on its Chabahar Port project. India has also come to the conclusion that Chabahar must be downgraded and has decided to reduce its allocation to the deep-sea port by two-thirds: From Rs 150 crore to Rs 45 crore.

Surprisingly, Trump has also offered to facilitate India-Pakistan normalisation of relations through a resolution of the Kashmir issue. He said Indian Prime Minister Narendra Modi had requested him to play this role; and Imran Khan immediately accepted it although it is yet unclear how Trump can walk into a strictly bilateral dispute, unless India and Pakistan decide to become normal neighbours.

As the revisionist state, Pakistan realises it has to do most of the changing. After the Pulwama crisis which led to an air skirmish — the first dogfight in 48 years between India and Pakistan — it returned the captured Indian pilot, Abhinandan Varthaman, to India. It can make another gesture of seeking peace with India through the return of Kulbhushan Jadhav. The question is: Does it

want a real normalisation?

India and Pakistan should not discuss Kashmir. They have done it through their bureaucrats a number of times and the results have been disappointing. This "discussion" encourages conflict to which there is no end. The world is disturbed by the action India has taken in Kashmir and what it is doing to its Muslims in the rest of the country through cow vigilantes. The world, however, doesn't want Pakistan to grab Kashmir.

The world knows that Pakistan is helpless in the face of its own internal lack of sovereignty vis-à-vis its non-state underworld of "jihad". It is trying to "reform" its 32,000 madrassas that nurse youths with no real function within Pakistan, threatening it today more than India. It needs India's help to ensure its own survival and that help can come only through normalisation of relations, through connectivity "with" and "through" Pakistan.

The Pakistan Army realises that Pakistan is now threatened on its western border. It is building a wire fence on the Durand Line and wants to cool its eastern border which means it must end its irredentist approach to the Kashmir issue. The eastern border can be cooled by opening up trade and investment with India, allowing it to reach Afghanistan and the Central Asian states through a road network that will transform Pakistan just as the China-Pakistan Economic Corridor promises to do; and which persuades China to pressure Pakistan to seek normalisation with India. The leaders involved are "transformational", too, albeit with their negative aspects.

Imran Khan and Narendra Modi can transform South Asia and make it prosperous, or doom it through conflict.

The writer is consulting editor, Newsweek Pakistan



KANCHA ILAIAH SHEPHERD

THE ELEVATION OF D Raja to General Secretary of the Communist Party of India (CPI) is a historic step. Raja is not only a well-known national communist leader but also a Dalit leader who rose to the status of a seasoned communist, theoretician and inspirational figure. Ever since the pro and anti-Mandal movements changed the course of Indian politics, Raja has been the only communist leader from within the left parties to negotiate between Dalit-Bahujans and communists as a authentic voice.

After Damodaram Sanjivayya, even the Congress has not made a Dalit party president. The BJP promoted Bangaru Laxman, not a very well-known leader in his own right, to the party president's post. Unfortunately, Laxman was caught on camera accepting cash in a sting operation. The only Dalit who has served with distinction as the President of India is K R Narayanan, an intellectual in his own capacity. Ram Nath Kovind is in office now and we will have to wait and see the imprint he will leave on that office.

The CPI first split in 1964. The breakaway group, the CPM, split again with Maoist factions leaving the party. These Left parties could not become a national alternative in the settled constitutional-democratic set up of India. Even so, the CPI remains the fountainhead of the communist ideology, though the CPM has a bigger following and electoral strength.

With the Mandal movement and the growth of Ambedkarite ideology shifting the social and political status of the Dalits-Bahujans, the communist parties suffered a moral setback. In the long history of their existence, since 1925, not a single Dalit leader could become general secretary of either the

A NEW CAST

By elevating D Raja to the post of general secretary, CPI makes history

CPI or CPM. By elevating Raja at this juncture, and since no ruling party has so far produced a leader of Raja's stature within the party structure — including the Congress, BJP and CPM — the CPI has salvaged the communist movement from the stigma of prejudice.

Though Raja has earned his new position, his party deserves appreciation given the fact that the CPM has not promoted a single Dalit or Adivasi to its Politburo. This is the reason why the Dalit/Adivasi forces see no difference between the CPM and the RSS, which has also not promoted a single Dalit/Adivasi to the top ranks.

The communists need to lead by example, not just by talking. They must understand that the lower-caste masses have produced their own intellectuals who can judge everybody by deeds. As Zhou Enlai, the first premier of the People's Republic of China said, if the communist movement is like a wave in the "Sea of People", the leaders are like the foam that emerge from the waves. But in India, the waves came from the Dalit-Bahujan communities — as workers, peasants and labour — and the leaders came from outside the waves, from the upper castes. The communist leadership from the early days should have cultivated a Dalit-Bahujan leadership, at least from West Bengal and Kerala. But they did not. That gave the impression that the upper-caste leaders were deliberately keeping the Dalit/Adivasi activists at the mass level, never allowing them to become the foam atop the wave.

In a way, the Indian communist leaders believed more in Lenin who said that the intellectual leadership comes from outside the working class. For example, the Brahmins were never supporters of the communist movement but the communist intellectual leaders came from among the Brahmins.

These people were always with the RSS-BJP, as these formations were close to their socio-spiritual heart and mind. On the contrary, the Dalit/OBC masses were with communist parties but not many intellectual leaders have emerged from them. Of course, education and intellectual exposure were a problem among the base mass of the communist parties. This is why their special focus should have been to train leaders from the base. By the time an intellectual class from these communities emerged from universities like JNU, Ambedkarism had generated suspicion among the left-leaning Dalit/OBC youth that the top leadership in the communist parties does not allow lower castes to emerge as leaders.

Raja's elevation definitely creates a new atmosphere between the Left and Ambedkarite circles, as Raja maintained a living relationship between the two. Raja has emerged from Tamil Nadu, which has a long history of lower caste leadership emerging from the days of Periyar E V Ramasamy. Karunanidhi emerged from a barber community (whose ancestors were temple musicians and singers). Now, Raja has emerged from a Dalit community. But Raja's own talent, the sagacity to be a communist through thick and thin, cannot be undermined.

Raja is a non-sectarian leader who can engage with any group without leaving his ideological ground. He is more suited to unite the parliamentary communist parties and groups and take India on the path of Nepal. One hopes that the CPM also uses this opportunity to bring in positive changes in the communist movement.

Shepherd is a political theorist, social activist and author

JULY 24, 1979, FORTY YEARS AGO

INDIRA WITH CHARAN INDIRA GANDHI HAS extended unconditional support to Charan Singh. But even then the picture is far from clear. Charan Singh now has the support of 177 members — 71 of the Congress (I) and 106 of his own, including 10 each of the H N Bahuguna and the Madhu Limaye-George Fernandes groups. There is now a question mark over the support of 75 members of the Congress, who at one time were firmly on Charan Singh's side. Members from the South and those belonging to the Sharad Pawar group — in all 35 — are having second thoughts. Had the Congress remained solidly behind Charan Singh, he would have had every chance of

forming the next government.

RAJASTHAN FLOODS THE DEATH TOLL in the Rajasthan floods has now reached 113. Reports of 19 more deaths from Jodhpur district and 16 more from Jalore district were received at the relief headquarters in Jaipur. The maximum number of deaths — 74 — has been reported from Jodhpur district, closely followed by 17 in Jalore district. The break-up of deaths in other districts is Pali (nine), Barmer (six), Ajmer (five), Nagaur (one) and Bhilwara (one). The death toll is likely to rise further as the number of missing persons in Jodhpur district alone has now gone up to 74.

PRESIDENT'S LETTER THE PRESIDENT HAS written to Morarji Desai and Charan Singh, the two contenders for prime ministership, to send to him lists of their supporters within two days to prove that they enjoy majority support in the Lok Sabha. The President is reported to have sent identical letters to the two leaders in reply to the communications he has received from them staking their rival claims for forming the government. Shortly after receiving the letter from the President, Desai drove to Rashtrapati Bhavan and met N Sanjiva Reddy for about half an hour. He declined to comment on what he discussed with the President.





# How not to educate India

Draft National Education Policy ignores role of states, fails to examine role of private sector, undermines importance of English



ABUSALEH SHARIFF

THE DRAFT NATIONAL Education Policy 2019 (DNEP19) is a must-read document as it has implications for India's ability to reap its "demographic dividend". Accelerated economic development is dependent upon the value added by a youthful labour force, which can occur only through appropriate investments in human development, including education. Education is a powerful instrument for reducing poverty and inequality; and it enhances competitiveness in the global economy. Ensuring access to quality education for all is central to the economic and social development of India, according to the World Bank.

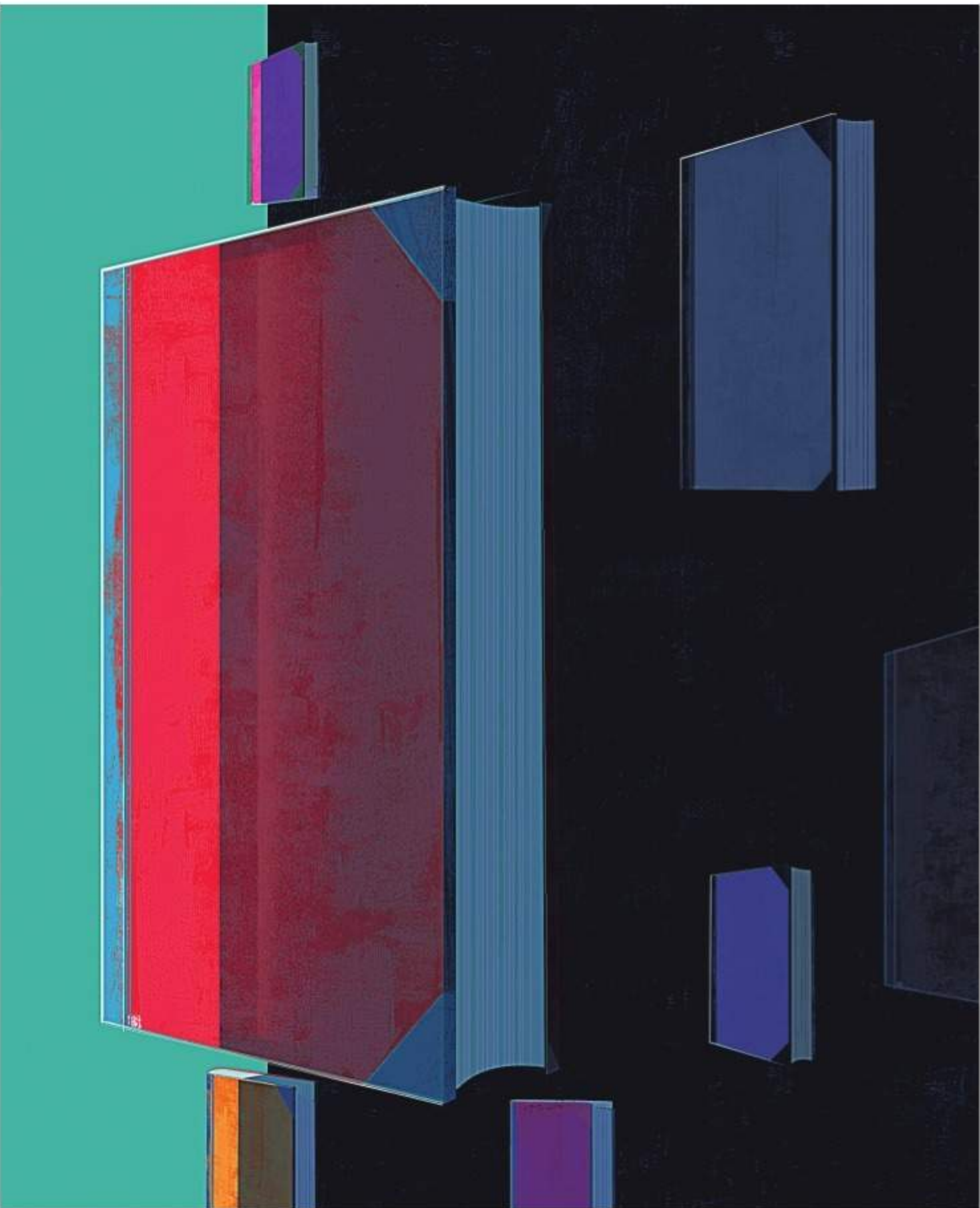
The DNEP19 lays out a vision for, and even romanticises, the need for affordable and quality education for all. This is an elaborate draft of 477 pages, with four parts, an addendum — 23 chapters in all. However, it does not address several relevant issues.

I will discuss five issues that the draft must consider incorporating: One, financing of education; two, privatisation; three, technology (ICT) as a leveler and equity enhancer; four, English as a medium of instruction and five, the state's responsibility in educating the masses. Only the fourth point has been discussed in the DNEP19, and that too mostly by undermining the role and importance of the English language. Given the state of education in India, this report lost an opportunity to discuss the advantages of public investments in elementary and high school education that generate "public good", as against the university-level policy focus on promoting "private good".

The DNEP19 targets investments in education to the tune of 20 per cent of the government's annual revenue. But it forgets to review why India has failed to reach the internationally-recognised level of expenditure (6 per cent of GDP) earmarked for this sector. The current allocation (both Centre and states) amounts to only 3.3 per cent of GDP. This report has appealed to philanthropists and companies to route their corporate social responsibility (CSR) funds to supplement government efforts, but it forgets that such funds will not be ideologically neutral. The report has also not recognised or estimated the role of private investments in education, and the proliferation of private English-medium schools across India. Reckless and unregulated private schools and colleges, besides compromising on quality, will only increase (not reduce) social inequalities in India.

According to the 71st round of the National Sample Survey, 21 per cent of rural and 42 per cent of urban school-going children are enrolled in private-unaided schools. Adjusting for children aged 6-18 years who do not go to school (non-enrollment and dropouts), there are an estimated 50 million children in private schools. It is of utmost importance that primary education is imparted through public sector facilities and that children belonging to various castes, classes and religions must be taught in such schools to generate a sense of belonging and nationalism. One of the main reasons for the emergence of religious intolerance in India is policies that promote segregated primary and elementary education on the lines of caste, religion, class and language.

The report also fails to estimate the share of income that households spend on education. The financing of each level of education — elementary, intermediate and higher-level — comes with its own set of challenges. For example, the government-aided schooling system prevalent in the state of Kerala is not even referred to as a viable model of institutionalised education financing. Maybe a new "public-private-partnership" model will succeed in achieving the objectives of quality, affordability and equality of access.



Suvajit Dey

Education reform must focus on certain fundamental principles — standardised yet personalised learning, literacy and numeracy, scientific temper, systems that promote both competition and collaboration between schools and ensure equity of outcomes.

In the 21st century, technology is the most secular and equitable source of education across the world. A common example is the knowledge-sharing done by the Khan Academy, used even by Bill Gates (by his own admission). Such technological platforms must be immediately harnessed to impart equitable access at primary, elementary and high school levels and to increase the quality of education. Consider this: It is quite possible that a child in Dharavi, Mumbai or in Rampur, in the tribal belt of Chhattisgarh, accesses quality education imparted at the best school in US — the Thomas Jefferson High School located in the vicinity of Washington D C. Children all over the world have the same right to education and it must be imparted in an affordable manner to all. Technology has provided a solution which must be used.

Respect the DNEP19 for emphasising the need to protect and promote our culture through the study of classical languages, mother tongues and regional languages. Yet, one cannot deny the income-augmenting character of English in India. Those who are fluent in the English language live in house-

In the 21st century, technology is the most secular and equitable source of education across the world. A common example is the knowledge-sharing done by the Khan Academy, used even by Bill Gates (by his own admission). Such technological platforms must be immediately harnessed to impart equitable access at primary, elementary and high school levels and to increase the quality of education.

holds with three times higher income than those without any knowledge of English. By ignoring this, the DNEP19 has laid out a "language trap", which will create social inequality and impede economic growth due to loss of the demographic dividend.

The report does not emphasise enough the role and importance of state governments in imparting education to the masses. Special education zones targeting unrepresented groups are talked about; but such a targeting strategy will fail without identifying the states which are laggards in education and reaching out to them.

In the health sector, frequent comparisons are made between states so that the budgetary and policy initiatives are aligned to the best practices and are implemented across states. There is adequate indication that through this report, and possibly through a new bill, "education" will be compromised by being placed under the complete control of the national government. The DNEP19 has not assessed or reviewed the past efforts of Sarva Shiksha Abhiyan; rather, it has devoted a whole chapter on how to establish and centrally manage the Rashtriya Shiksha Aayog or the National Education Commission. This points towards a centralisation of the education system, which is not only inimical to the economy but also to social harmony.

The writer is with the US-India Policy Institute, Washington DC

## WHAT THE OTHERS SAY

"If Hong Kong continues to regard rule of law as its core value, it must treat police law enforcement correctly." — GLOBAL TIMES, CHINA

## Cricketers in arms

Cricket might be 'war minus shooting', but in reality few Indian cricketers have seen combat



SUSHANT SINGH

Will M S Dhoni serve with his Territorial Army (TA) battalion stationed in the Kashmir Valley or will he just train with them? That is a significant difference because serving in an operational deployment carries its own risks which training — however grueling it may be — does not have. As someone bestowed with the honorary rank of Lieutenant Colonel after India's world cup win in 2011, Dhoni doesn't need to do either. Other professionals who join the TA after a selection process of ten get waivers for their annual attachment with the battalion for training.

Cricket and military training, though, have a linkage. The Pakistan cricket team trained at the country's military academy before the 2016 England tour and the players were doing push-ups after reaching a landmark, the way rookie military recruits celebrate their success. Pakistani cricket and its army have quite a connection — and we are not referring to Imran Khan being "selected" as PM by its army last year — which can be seen by a cursory search on YouTube of Wasim Akram acing a military field obstacle course.

But these training were for the purpose of improving their chosen game of cricket. They weren't for operational deployment, for which Dhoni has already shown his penchant by completing five parachute jumps. It points to a level of interest and commitment which has not been witnessed among any of the other sportsmen who were given an honorary rank. Sachin Tendulkar is a Group Captain in the IAF and is present in uniform on most Air Force Day parades, sitting in the front row, and has taken a joy ride in a fighter jet, but his linkage ends there.

The connection between cricket and military in India has been rather tenuous so far. The only name that comes to mind is of Colonel CK Nayudu, who was given the rank as a honour in the Holkar's army for being an outstanding cricketer. Then there was Lt Colonel Hemu Adhikari, an army officer whose military career doesn't show any active combat experience in uniform. Adhikari captained India in one Test against the West Indies, the fourth captain in a five-match series, and he agreed to take the responsibility because of a military order.

When the selectors approached him, Adhikari was posted at Dharamshala and he initially refused to lead India in the Test; he even turned down his wife's request. He recalled: "My chief sent me a message asking me to come and report to him immediately. He told me the same thing: India needs you. Your country is bigger than the individual. Just go and play and let the public feel what wrong the Board has done to you."

But in the active wars fought by India since Independence, there have perhaps been no Test cricketers who have participated. Besides Adhikari, five other military

personnel played Test cricket for India: Chandrasekhar Gadkari, Narain Swamy, Raman Surendranath, Apoorva Sengupta, and Venatappa Muddiah. Of these Sengupta played only a solitary Test but retired as a three-star general from the armoured corps.

Even though cricket between India and Pakistan has often been compared to war, there was a time when both players were in the same team as the two countries were at war. In his memoirs, Sunil Gavaskar has recounted that some of the Indian and Pakistani players were playing for the Rest of the World XI in Australia during the 1971 War and were still close to each other as they followed the news, worried about the fate of their families and hometowns.

Gavaskar and Tendulkar may not have joined military service but another batting great, Don Bradman did join the Australian Air Force in June 1940. Subsequently shifted to Australian Army, he was commissioned as a lieutenant, with the task of Physical Training Officer. But he was diagnosed with fibrositis of the back and discharged from service in June 1941. For a year, the world's greatest batsman was known as Lieutenant Bradman.

Len Hutton, who had joined as a sergeant instructor, sustained serious injury when he fell in gymnasium in York on military service. An operation and bone grafts left his left-arm shorter and weaker than his right but he still piled on the runs after the war.

But not everyone was as fortunate as the legendary English cricketer. Nigel McCrery's The Coming Storm: Test and First-Class Cricketers Killed in World War Two provides details of 12 test cricketers — five Englishmen, two South Africans, one Australian and one New Zealander — who perished in the Second World War along with 130 other first class cricketers. The most famous among them was the great Hedley Verity who died in gunfire in Caserta, Italy in 1943 as he led his troops as an army captain in capturing a building. Other Test cricketers who lost their lives were Dooley Briscoe and Arthur Langton of South Africa, Maurice Turnbull, George Macaulay, Ken Farnes and Geoffrey Legge of England, Ross Gregory of Australia and Sonny Moloney of New Zealand.

Most of these cricketers were recruited for the regular service as the countries needed all able-bodied men to ward off the German-Japanese challenge. But like Dhoni now, Denis Compton was with TA during the war and was posted in Mhow in central India. He ended up scoring 249 not out for Holkar vs Bombay in the final of the Ranji Trophy in 1944-45, with India being the only country where first-class cricket continued to be played during the Second World War.

If Dhoni goes on to serve in an operational area and see real combat with the army, his experience would probably mirror that of Australian Keith Miller who became a fighter pilot. Answering a question from Michael Parkinson before one of the Victory Tests played in England immediately after the Second World War, he said, "Pressure? There is no pressure in Test cricket. Real pressure is when you are flying a Mosquito with a Messerschmitt up your arse."

sushant.singh@expressindia.com

## LETTER TO THE EDITOR

### MOON SHINE

THIS REFERS TO the report, 'Off to the moon' (IE, July 23). The launch of Chandrayaan 2 to the moon will mark a turning point for India if it lands successfully on the lunar surface. India will be the fourth nation to achieve this feat. The scientists at ISRO must be congratulated, and we must be proud as a nation. More importantly, the journey to space should be an occasion for Indians to look beyond petty differences and unite as we venture forth to new horizons.

PN Garg, via email

### NO JUSTICE

THIS REFERS TO the editorial, 'Getting away' (IE, July 23). The spate of acquittals in cases pertaining to the Muzaffarnagar riots of 2013 shows our legal process in poor light. Unless the long-pending police reforms are brought in, shielding the law from political interference, this travesty of justice is bound to continue, more so in riots where "faceless mobs" are involved. Witnesses must be given due protection. Also, the convoluted judicial proceedings need to become more swift. A stop must be put on buying time as well as buying witnesses.

Vijai Pant Hempur.

### ENGAGE ALL

THIS REFERS TO the article, 'Does India remember Kargil?' (IE, July 23). Pakistan has been the source of the most important national security challenge India has been facing since its Independence.

### 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](mailto: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

The troika of the Pakistan army, military intelligence and bureaucracy script the country's narrative towards India. Delhi recently articulated its red line on the various international manoeuvres over Afghanistan, where the message was that India is no longer averse to the idea of engaging with any actor that holds sway over the situation in the larger interest. India needs to invoke a similar principle while dealing with Pakistan and engage with all stakeholders to negotiate peace.

Sudip Kumar Dey, Kolkata



## VIEW FROM THE RIGHT

### LESSONS FROM KARGIL

THE LATEST ISSUE of *Organiser* has an insightful analysis of the Kargil war by General V P Malik, who was the Chief of Army Staff during the conflict. "Have We Learnt the Lessons?", he asks and flags half-a-dozen lessons from the 1999 war. One, as long as there are territorial disputes, as India has with China and Pakistan, the adversary can indulge in a proxy or a limited convention war. Two, there being a reluctance on the part of India to adopt a proactive strategy, it is essential for the country to have credible strategic and tactical intelligence, effective surveillance and a close defence of the border. Three, a credible deterrence may prevent a war and thus give more room for manoeuvre in diplomacy and conflict. Four, "the new strategic environment calls for faster decision-making, versatile combat organi-

sations, rapid deployment and synergy amongst all elements involved in the war effort, particularly the three services". Five, "it is essential to keep the military leadership within the security and strategic decision-making loop." Six, "the political requirement of a military operation and to retain moral high ground (and deny that to the adversary), the country needs a comprehensive media and information strategy."

In conclusion, General Malik writes: "An enduring lesson of Kargil war, indeed most wars, is that for national security, sound defence enables sound domestic and foreign policies."

### PAKISTAN DECODED

THERE HAVE BEEN a series of important developments vis-a-vis Pakistan — the International Court of Justice verdict in the Kulbhushan Jadhav case, the arrest of Hafiz Saeed, the re-opening of air space for Indian aircraft and the removal of Khalistan-supporter, Gopal Chawla, from the Kartarpur committee. The natural question, therefore, is: Will Islamabad "mend its behaviour and not allow its soil to breed terrorism, especially against Bharat?" "No!" says Prafulla

Ketkar, editor of *Organiser*, in a signed editorial.

"The very existence of Pakistan," according to Ketkar, "is dependent on an anti-Bharat narrative." The military is the torchbearer of that philosophy. Unless there is a change from within and Pakistan as a society shows a clear sign of reversing the trend and construct a positive idea of existence, there is no reason to believe the little bit of softening and succumbing to pressure.

"Pakistan has deceived the world many times, and after the Lahore Bus initiative, Kargil was the clear case of deception and betrayal," the editorial argues.

The Kulbhushan Jadhav case verdict has proven that Pakistan is a violator of the Geneva Convention. The human rights record and the hypocrisy of the military-run kangaroo courts in Pakistan have also been exposed.

The directive to ensure a free and fair trial to Jadhav along with consular access has not only vindicated India's stance, but also proved that the systems in Pakistan are not in tune with international standards. Similarly, the arrest of Hafiz Saeed by Pakistan's Counter-Terrorism Department is acknowledgment that the Mumbai attack mastermind is a terrorist.

Compiled by Pradeep Kaushal





## What suits Trump

The U.S. President violated diplomatic protocols in talking of mediation on Kashmir

Facing a furore in Parliament over the issue, the government has clarified in no uncertain terms that Prime Minister Narendra Modi did not request U.S. President Donald Trump to “mediate or arbitrate” on the Kashmir issue, as Mr. Trump claimed on Monday. Addressing Parliament, External Affairs Minister S. Jaishankar said India remains committed to its policy of discussing all outstanding issues with Pakistan only bilaterally, and assured the House that Mr. Modi did not raise this with Mr. Trump at their recent meeting in Osaka during the G-20 summit. In making the claim that has been roundly denied by New Delhi, Mr. Trump breached several well-laid diplomatic protocols, including one against discussing privileged conversations with a leader, during a public conversation with another. Mr. Trump also said a “lot” of his talks with the Pakistan Prime Minister would focus on India and Afghanistan, an odd departure from the precept of putting bilateral issues to the fore, and being more discreet when discussing sensitive relations involving other countries. For New Delhi, it may be time to recognise that Mr. Trump’s comments are a sign of new realities in international diplomacy, where leaders care less about niceties and more about open communication. Mr. Modi will have to prepare accordingly for some plain-speaking when he visits the U.S. and meets with Mr. Trump, as he is expected to, in September this year.

In the short term, the government’s decision to address the claim by Mr. Trump will have nipped any repercussions in the bud. The government should pursue the issue through diplomatic channels with the U.S. government, and determine whether Mr. Trump made the comments out of confusion or deliberately. India has always opposed any suggestion of third-party mediation on Jammu and Kashmir; both the 1972 Shimla Agreement and the 1999 Lahore declaration included India’s and Pakistan’s commitment to resolving issues between them. It is unlikely that Mr. Modi would have spoken out of line with this policy, and the most charitable explanation for Mr. Trump’s new contention is that he mistook India’s appeal to the international community to hold Pakistan accountable for terror groups on its soil that carry out attacks in Kashmir, for a general desire for mediation. Mr. Trump’s comment in March that the U.S. successfully mediated for the release of captured fighter pilot Abhinandan by Pakistan may have even given him some hope that the U.S. could play a larger role on the Kashmir issue, and New Delhi would need to address that. A more worrying proposition is that Mr. Trump took the line favoured by his Pakistani interlocutors on Kashmir as a way of enhancing his own plans for a pullout from Afghanistan with Pakistan’s help on security and talks with the Taliban. While the damage from Mr. Trump’s words may not have a very lasting impact on India-U.S. ties, that from any rushed measures to force a resolution in Afghanistan will have far-reaching and lasting impact, including on India.

## Caribbean cruise

India goes to the West Indies sensing more cricketing opportunities than threats

In the past, a tour of the West Indies was deemed the toughest endeavour for any cricketer. Reputations were either enhanced or lost and fractures seemed imminent in the battles against the fiery fast bowlers, while the crowds requested the perfume-ball, a euphemism for a nasty bouncer. But times change, and the inherent quality of the Caribbean squads has declined so much that a sporting visit to the isles with their sunny beaches is seen as an exercise towards etching triumphs, fattening batting averages and multiplying bowling yields. With this as the backdrop, India will fly halfway across the earth for a set of three Twenty20s – interestingly, two of them are being hosted in the United States of America – three ODIs and two Tests against the West Indies from August 3 to September 3. India will be the favourites across the three formats, though in limited overs games, where the abridged nature of the sport tends to iron out the flaws, the host might fancy its chances. The tour, coming as it does close on the heels of the World Cup in England, presents an opportunity for India to look ahead, make a few changes in personnel and prepare for the future. Transition always coincides with the quadrennial World Cup and India too is part of that global trend.

M.S. Dhoni has straddled three generations, the one that had Sachin Tendulkar, the second with the likes of Yuvraj Singh and the latest under Virat Kohli as captain. The former India captain has held firm in a storied career of triumphs, losses, frenzied runs, sharp catches and quicksilver stumpings, but at 38 he is near his cricketing twilight. Though he avoided retiring from the blue shade by preferring to serve the Army in his role as an honorary lieutenant colonel, Dhoni presented an opportunity to M.S.K. Prasad and his fellow selectors to fast-track Rishabh Pant as the first-choice wicket-keeper batsman across all formats. Dhoni, who retired from Tests in 2014, might still make appearances in the shorter versions, and there is speculation about next year’s Twenty20 World Cup in Australia being his preferred last stop. But it all depends on what the selectors and Kohli prefer as they look at building the team afresh for the 2023 World Cup in India. The imminent West Indies tour will help the team management get a fair idea about the potential in the likes of Shreyas Iyer, Mayank Agarwal, Manish Pandey, Rahul Chahar, Krunal Pandya, Washington Sundar, Khaleel Ahmed, Deepak Chahar and Navdeep Saini, besides the other regulars. The opposition may be depleted, but for these players, hope floats and a crucial August awaits.

# A bridge across the India-Pakistan abyss

It would be a travesty to waste the opportunities made possible by the Kartarpur corridor plan



SUHASINI HAIDAR

Ties between India and Pakistan are at an ebb – their lowest in two decades. The thread from this phase, as a series of events – the Kargil war (1999), the Agra Summit (2001), the attack on Parliament (2001) and Operation Parakram (2001-02) – meant a sustained period of deep hostilities, with diplomatic missions downgraded and travel routes truncated. Since 2015 and Prime Minister Narendra Modi’s Lahore visit in the same year, the leaders of both countries have not met for talks. In mid-2018, the backchannel diplomacy between the National Security Advisers of both countries was called off by Pakistan, while in September 2018, India called off a planned meeting between the Foreign Ministers in New York. In the wake of the Pulwama terror attack in Jammu and Kashmir in February this year, India attacked terror targets in Pakistan which in turn sent fighter jets to the border. Subsequently, after India moved missiles and deployed submarines, Pakistan raised a full air alert and imposed an airspace ban that lasted till mid-July.

### Unbroken thread

What has been disconnected from all those tensions are the talks on the Kartarpur corridor. The offer from Pakistan’s Prime Minister Imran Khan to open the corridor was conveyed first by Pakistan Army Chief General Qamar Javed Bajwa, and accepted by Mr. Modi, marking a rare moment of coordination between the two nations.

That the talks have continued through one of the most difficult years in the relationship is equally remarkable; there have been three rounds of technical-level meetings to ensure both sides complete the infrastructure needed before November 2019, the 550th anniversary of Sikhism’s founder Guru Nanak.

The symbolism for pilgrims who will be able to travel from Dera Baba Nanak town in Punjab to the Gurdwara Darbar Sahib Kartarpur just a few kilometres inside Pakistan, which are sites where Guru Nanak spent his last few years, goes well beyond the date and year. This is a route that the Guru and his followers traversed with ease for half a millennium until Partition resulted in the India-Pakistan border cutting through it. While Sikh pilgrims have been given easy access since then to Guru Nanak’s birthplace at Nankana Sahib, the circuitous 200 km route to Kartarpur via Amritsar-Wagah has been off limits. The Kartarpur shrine has one of the last copies of the original Guru Granth Sahib; there are some who believe that it contains not only the wisdom of the 10 Gurus but is itself the 11th and last Guru. Giving life to the wishes of so many will also ensure political dividends in India, an aspect no government in the State or at the Centre can ignore.

### Some irritants

Despite the rich significance of the corridor, there were many reasons for the earlier hesitation to revive the project. The Kartarpur corridor project is an issue that has been raised by India for several decades, with New Delhi’s reasons for wanting the corridor clear. However, in the case of Pakistan, these have not been as transparent, with the military establishment’s surprise backing only raised doubts on whether Islama-



NARINDER NANUJ/AFP

bad has an ulterior motive. In a dossier handed over during the last round of talks on Kartarpur on July 14, India spelt out its apprehensions over Pakistan allowing separatist Khalistani groups, including those funded by groups based in the United Kingdom, the United States and Canada, to try and influence pilgrims. Of specific concern is the ‘Referendum 2020’ plan by the Sikhs for Justice group (banned by India).

This group has already held a series of public events in the U.S. and the U.K. demanding a ‘worldwide referendum’ on a separate Sikh state. The other irritant is the possible use of the corridor for drugs and arms movement; there are many routes and tunnels at the border between the two Punjabs. The terror threat by Pakistani Punjab-based anti-India groups such as the Lashkar-e-Toiba and the Jaish-e-Mohammad is also a constant concern.

Agreeing to the Kartarpur corridor means the government has made an exception from a matter concerning national policy for a matter of faith. In the last few years, every avenue has been shut down from those for official, bilateral and regional (South Asian Association for Regional Cooperation) talks to even those for travel and tourism. Trade too has ground to a halt with cross-Line of Control (LoC) trade route suspension the latest casualty.

With such strictures in place, New Delhi’s decision to embark on a course that will need regular and repeated India-Pakistan meetings is nothing short of a breach of its otherwise firm “no talks without terror ending” policy. For example, at a time when Indian and Pakistani Ministers do not even hold talks when they meet at multilateral conferences, New Delhi sent two senior Ministers to Pakistan to participate in the ground-breaking ceremony for the event. It remains to be seen who the government will send to the inauguration, and whether Mr. Modi, who has likened building the Kartarpur corridor to the fall of the Berlin wall, will grace the occasion.

### A range of possibilities

With the Kartarpur exception to India’s policy on Pakistan now established, it is necessary to see whether it can be built on to create a mechanism for broader conversations between India and Pakistan. The obvious extension from this would be for having other faith-based “corridors” for Hindu, Muslim and Sikh pilgrims in both countries; this would be in addition to the list of 20 shrines (15 in Pakistan, five in India) that were negotiated under the 1974 Protocol on visits to Religious Shrines.

The template that Kartarpur has given both sides is also worth considering for the format of other bilateral negotiations given that the talks have been immunised from both terror attacks and election rhetoric. The venue of the talks, at the Attari-Wagah zero point, lends itself to more successful outcomes too away from the glare of the media, without focus on arrangements for both parties. The two sides can cross over, meet for the duration of talks and return after issuing a pre-arranged joint statement.

The timing of the Kartarpur

opening may also lend itself to exploring other bilateral engagements.

Ahead of the next plenary of the Financial Action Task Force (FATF) in October, Pakistan will remain under pressure to keep terror groups subdued. According to various reports, infiltration figures at the LoC are significantly lower (a 43% reduction since the Balakot strikes in February); officials have marked about 20 terror camps in PoK they believe have been “shut down” recently. Civilian and military casualties from ceasefire violations have also reduced. Pakistan Prime Minister Imran Khan’s government, which has been buoyed by Mr. Khan’s U.S. visit and by Pakistan’s new-found acceptance in the international community for its role in Taliban talks, and Mr. Modi’s government, which has been bolstered by its strong electoral mandate, will also be in the strongest positions politically to forge agreements.

Thus, it would be a travesty to waste the opportunity made possible by the Kartarpur corridor, and by extension, the founder of the Sikh faith himself (revered by Hindus and Muslims in India and Pakistan) to bring both countries back to the table for talks. The most famous story at Kartarpur is the one of the ‘miracle’ that Guru Nanak wrought after his death as his Hindu and Muslim followers debated late into the night whether their Guru should be cremated or buried. When they awoke, his body had vanished, replaced by flowers which they divided up. The Guru Nanak’s ‘samadhi’ and grave were built side by side. As pilgrims across the border pay a visit in November, it should be clear what the bigger miracle is: that the Kartarpur exception has been made at all.

[suhasini.h@thehindu.co.in](mailto:suhasini.h@thehindu.co.in)

# Faltering steps in the anti-AIDS march

The commitment to end the AIDS pandemic by 2030 needs strong and fearless leadership



J.V.R. PRASADA RAO

The Joint UN programme on AIDS, commonly known as UNAIDS, is facing one of the worst challenges afflicting the global AIDS response – this time an existential threat questioning its very relevance. The UN Secretary-General, António Guterres, is expected to appoint a new executive director after the departure of Michel Sidibé in May 2019 on the recommendation of the programme coordinating board which manages the organisation. There are strong contenders from Africa and the U.S. in the reckoning among those who have been shortlisted.

### A pivotal role

At such a crucial time, it is disturbing to hear voices again questioning the relevance of UNAIDS for the global response.

There are suggestions that AIDS should go back to the World Health Organisation (WHO) where it originally belonged to some 25 years ago. And that the new executive director should be equipped

with an exit strategy to wind up the organisation.

Since its establishment in 1994, UNAIDS has been able to successfully mobilise world opinion to mount an exceptional response to an epidemic which has consumed over 20 million lives with still no effective treatment or cure. The UN General Assembly Special Session (UNGASS) 2001 was a game changer with the adoption of a political resolution that itself was exceptional in many ways. The creation of a Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) and the slashing of prices of AIDS drugs by Indian generics have brought treatment within the reach of many countries. Today some 22 million people are under antiretroviral therapy (ART) and preventing mother-to-child transmission of HIV has become an achievable goal by 2020. The organisation has provided leadership to many countries which in 10 years (2001-2010) could halt the epidemic and reverse the trend.

### The epidemic is still alive

However, at a time when it should be leading the global response to end AIDS as a public health threat, the organisation has started to falter in its strategy. First came the extremely optimistic messaging blitz that the world was going to



GETTY IMAGES/ISTOCKPHOTO

see the end of AIDS very soon. This is far from true. Regions such as eastern Europe and Central Asia and West Asia are nowhere near reaching that goal, with many countries such as Russia witnessing a raging epidemic among drug users and men who have sex with men (MSM) communities. With the top leadership in UNAIDS exhorting countries to bring AIDS “out of isolation” and integrate with health systems, the political leadership in many countries have thought that AIDS is no more a challenge.

Second has been the thinking that the AIDS epidemic can simply be treated away by saturating anti-retroviral (ARV) coverage. Nothing could be farther from the truth. It is forgotten that AIDS affects the poor, the marginalised and criminalised communities disproportionately as they face challenges in accessing the ‘test and treat’ programmes. The ever increasing number of young people who are

joining the ranks of vulnerable populations do not get prevention messages like in the past. National programmes do not any more consider condoms, sexual education and drug harm reduction as central to the prevention of HIV transmission that results from unprotected sex and drug use. Funding for non-governmental organisations and community-based organisations working on prevention has virtually dried up.

Third has been the weakening of country leadership of UNAIDS in many high-prevalence countries. Senior country-level positions are, in many instances, held by people who do not possess the core competence to constructively engage political leadership to undertake legal reforms and provide access to services to marginalised populations.

### Weakening activism

But the biggest setback has been the lost voice of vulnerable communities which was the main driving force of AIDS response in the decade after UNGASS. Activism surrounding AIDS has suddenly fizzled out emboldening many countries, especially in Africa, to further stigmatise and discriminate by enacting new laws that criminalise vulnerable sections of society.

To add to its woes, the charges against one of the senior most staff and his exit from the organisation have seriously compromised UNAIDS at a time when the global response needs its leadership the most. The new executive director will have an unenviable task of not just restoring the credibility and relevance of the organisation but strengthening its presence at country level and making it more meaningful to the communities which look to it for leadership. The new executive director has to work relentlessly to place prevention of the epidemic and empowering communities at the centre of global response.

With 1.7 million new infections and one million deaths occurring every year, we can’t afford to drop the ball half way. The commitment to end AIDS by 2030 is ambitious but not impossible to achieve. What we need is a re-energised UNAIDS with a strong and fearless leadership from a person of high integrity and commitment along with a sincere effort to remove the deadwood from the organisation. Any thought of winding it up or giving the mandate back to WHO would be suicidal at this moment.

*J.V.R. Prasad Rao is a former Health Secretary, Government of India. The views expressed are personal*

## LETTERS TO THE EDITOR

Letters emailed to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) must carry the full postal address and the full name or the name with initials.

### Trump and the ‘K’ word

The claim by U.S. President Donald Trump that Prime Minister Narendra Modi broached the subject of Mr. Trump’s mediation on the Kashmir issue during the meeting of the two leaders in Osaka in June, is stunning (Page 1, “I would love to be a mediator on Kashmir: Donald Trump”, July 23). Is it a white lie? Or is it a political gimmick? Even if India had sought his assistance, the fact that the U.S. has all along been providing military assistance to Pakistan would by itself make America very unsuitable as a mediator.

B.V.K. THAMPI,  
[Thiruvananthapuram](mailto:Thiruvananthapuram)

■ Mr. Trump’s offer could well be a trap, a product of his meeting with the Pakistan Prime Minister. The U.S. has a history of long friendship with Pakistan. There may be a hitch at present in their

relationship but self-interest has always been a priority in American foreign policy. The offer may be a part of a strategy relating to Pakistan-China policy. Once we are drawn to the mediation table, our contention of sovereignty over Kashmir will be jeopardised.

S. RAJAGOPALAN,  
[Chennai](mailto:Chennai)

■ It is significant that as no less than the POTUS himself has named the Indian Prime Minister as personally having sought Mr. Trump’s mediation, it is in the fitness of things and in keeping with the best parliamentary traditions that the Prime Minister offers his own clarification on the floor of the House even if it means causing personal embarrassment to Mr. Trump, who is not known to observe diplomatic niceties. If Mr. Modi chooses to remain silent fearing a diplomatic backlash from the

U.S., a doubt about who is economical with the truth will gain ground hurting the Prime Minister’s credibility.

S.K. CHOUDHURY,  
[Bengaluru](mailto:Bengaluru)

■ India may maintain that the Kashmir issue should be resolved bilaterally but the fact is that there have been regular global interventions as far as India-Pakistan relations are concerned. During the Kargil intrusions in 1999, it was the Clinton administration which led Pakistan to step back. Also after 9/11, it was the U.S. and the U.K. which helped in blacklisting Pakistan-based terror outfits. India has relied on global support when it comes to cornering Pakistan. Therefore, Mr. Trump wanting to be a mediator should not raise hackles.

HARVINDER SINGH CHUGH,  
[Jalandhar, Punjab](mailto:Jalandhar, Punjab)

■ Mr. Trump is turning out to be an inexperienced

statesman, examples being his meddling in Obamacare, his unilaterally scrapping the Iran nuclear deal, verbal attacks on European leaders and his mishandling of the immigrants issue in the U.S. Mr. Trump needs to set his own house in order first before he can even think of mediating on Kashmir.

T. ANAND RAJ,  
[Chennai](mailto:Chennai)

■ The U.S. has most often been at the wrong end of understanding the geopolitical affairs of developing countries, Vietnam, Iran and Iraq being examples. America’s attempt to help these countries has ended in disastrous results. In the Kashmir conflict, a mediator must understand the socio-cultural context of the State as well as its history which Mr. Trump is clearly unaware of. I am sure that the Prime Minister, despite his shortcomings, did not raise

the question of mediation seriously with Mr. Trump. Observing the U.S.’s previous attempts at mediation, it would be much better if the process involved only India and Pakistan even if it takes another 70 years.

HANNAH JACOB P.,  
[Bengaluru](mailto:Bengaluru)

### The ISRO model

The successful launch of Chandrayaan-2 demonstrates what India is capable of doing if there is unwavering focus and funding. The successful model of ISRO should be replicated in the defence sector especially when India is spending billions of rupees buying arms. If we can develop a credible weapons manufacturing ecosystem that is on a par with our space industry, we can save billions and also tap the billion dollar international weapons market.

Ds. N. RATHAN PRASAD REDDY,  
[Gajwel, Telangana](mailto:Gajwel, Telangana)

### Narcotic hub

That it is not just youngsters from ‘dysfunctional families’ but also those from ‘perfectly normal families’ who are becoming drug victims “solely for recreational purposes” is alarming (‘Ground Zero’ page, “‘Ecstasy and the agony’, July 20). This is possibly due to a lack of proper parental monitoring, compounded when one or both parents is/are working abroad as in Kerala. The pocket money being given to middle and upper-class youngsters is way beyond basic requirements.

The statement that Uthampuram is “notorious for ganja trade but remains out of bounds for enforcement agencies” is baffling. The “Student Police Cadet” scheme must be emulated across India.

KOSARAJU CHANDRAMOULI,  
[Hyderabad](mailto:Hyderabad)

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# The complexities of Naga identity

The Nagaland govt. will face many hurdles in its quest to compile a list of indigenous inhabitants



SUSHANTA TALUKDAR

The Nagaland government's move to compile a Register of Indigenous Inhabitants of Nagaland (RIIN) opens up possibilities in the context of the decision to link the register to the Inner Line Permit (ILP) system without a consensus on the definition of an 'indigenous inhabitant'.

One such possibility is of RIIN pushing the negotiators engaged in the ongoing Naga peace talks to articulate new and hardened positions on the contentious issue of integration of contiguous Naga-inhabited areas.

Though the official notification on RIIN has not mentioned a cut-off date to compile the proposed register, the authorities in Nagaland have till date issued indigenous inhabitant certificates using December 1, 1963 as the cut-off date. Nagaland was inaugurated as India's 16th State on this date following the '16-point agreement' between the government of India and the Naga People's Convention on July 26, 1960.

### Opposition from NSCN (I-M)

The National Socialist Council of Nagalim (Isak-Muivah), which has been engaged in peace talks with the government of India since 1997, has opposed the compilation of RIIN asserting that "all Nagas, wherever they are, are indigenous in their land by virtue of their common history".

A statement issued by the 'Ministry of Information and Publicity' of the self-styled Government of the People's Republic of Nagalim reads: "The present move of the State government to implement [the] Register of Indigenous Inhabitants of Nagaland (RIIN) is contradictory to the inherent rights of the Nagas. It is politically motivated to suit the interest of the groups advocating for the '16-Point Agreement'. The 'Nagaland State' does not and will not represent the national decision of the Naga people. It was formed purely to divide the Nagas." The self-styled government of the People's Republic of Nagalim is the parallel government run by the NSCN(I-M).



Sumi tribesman performing a warrior dance during the Tuluni festival in Dimapur, Nagaland, in 2016. •GETTY IMAGES

On June 29, the Nagaland government notified that RIIN "will be the master-list of all indigenous inhabitants" of the State. All those to be included will be issued "barcoded and numbered indigenous inhabitant certificates". It added that all existing indigenous inhabitant certificates would become invalid once the process of compiling RIIN is completed and fresh certificates issued.

RIIN is different from Assam's National Register of Citizens (NRC) as exclusion or inclusion in RIIN is not going to determine the Indian citizenship of anyone in Nagaland.

### Three conditions

Since 1977, a person, in order to be eligible to obtain a certificate of indigenous inhabitants of Nagaland, has to fulfil either of these three conditions: a) the person settled permanently in Nagaland prior to December 1, 1963; b) his or her parents or legitimate guardians were paying house tax prior to this cut-off date; and c) the applicant, or his/her parents or legitimate guardians, acquired property and a patta (land certificate) prior to this cut-off date.

The compilation of RIIN also involves the complexities of deciding claims in respect of children of non-Naga fathers as well as non-Naga children adopted by Naga parents.

If the Nagaland government goes ahead with a compilation of RIIN

with this cut-off date, then all Naga people who have migrated to the State from the neighbouring States of Assam, Manipur and Arunachal Pradesh and elsewhere in India after this day will have to be excluded.

The NSCN(I-M) statement adds, "Nothing is conclusive on the Naga issue, until and unless a mutually agreed honourable political solution is signed between the two entities. Therefore, any attempt to dilute the final political settlement by justifying any past accord of treasons should be seriously viewed by all Nagas."

This clearly indicates the opposition the Nagaland government may have to face if it goes ahead with the move to compile RIIN. The Centre and the NSCN (I-M), which is the largest among all armed Naga rebel groups, signed a Framework Agreement in 2015, the content of which has still not been made public, in turn leaving room for speculation on the contentious issue of integration of all contiguous Naga-inhabited areas of Assam, Nagaland, Manipur and Arunachal Pradesh.

Unless otherwise clarified through an official notification, the proposed linking of RIIN with the ILP system may require large numbers of non-indigenous inhabitants of Dimapur district, more particularly the commercial hub (Dimapur town), to obtain an ILP to carry out day-to-day activities. Most of them migrated from oth-

er States and have been carrying out trade, business and other activities for decades. Migration also explains the higher density of population in Dimapur district (409 persons per sq. km) when compared to all the other districts in the State. The ILP is a travel document issued by the government of India to allow a 'domestic tourist' to enter Nagaland, and is valid for 30 days.

### Streamlining ILP

The Supreme Court, on July 2, dismissed a Public Interest Litigation seeking a directive against the Nagaland government's move to implement the ILP in the entire State including Dimapur district, which had so far been kept out of the purview of the ILP system.

A report prepared by the government, in collaboration with the UNDP in 2009, gave information on migration patterns in Nagaland. Titled 'Rural-Urban Migration: A Thematic Report', it said that in 2001, Assam was the State with the highest number of migrants to Nagaland (19,176 people), followed by Bihar (7,249 people) and Manipur (4,569 people). A large section of people (about 45% of them in the case of Assam, 59% in the case of Bihar and 25% in the case of Manipur) had migrated for better employment and business opportunities.

While the move to streamline the ILP system to curb the influx of "illegal migration" to Nagaland has been welcomed by civil society, public opinion is still divided on compiling RIIN without a consensus on the cut-off date.

As the Nagaland government has begun a consultation process on RIIN, it will be under pressure to delink the work of streamlining the ILP mechanism from the proposed register and put it on hold till the ongoing peace process concludes and the final solution is worked out.

Besides this, the complexities that may arise in streamlining the ILP mechanism due to non-issuance of domicile certificates or permanent residence certificates to a large number of non-Naga, non-indigenous inhabitants could also make the task even more difficult for the Neiphiu Rio-led Nagaland government.

Sushanta Talukdar is Editor, nezine.com, a bilingual online magazine on the Northeast

# Making the water-guzzling thermal plants accountable

An improved monitoring mechanism can play a key role



PARUL KUMAR  
BHARATH JAIRAJ

The advancing monsoon has brought relief to many parts of India, but its progress has been slower than average and the country is still in the midst of a rainfall deficit, with millions facing an acute water shortage. Water is essential for human survival, and for agriculture and industry. It is important that India – which has only 4% of the world's renewable water resources but about 18% of the world's population – consumes water more sensibly.

In India's pursuit of 100% electrification goal, the country's installed power capacity will need to be doubled. Even with the growth of renewable energy (RE), coal has been projected to be the backbone of the electricity sector till 2030 and beyond. Managing the electricity needs of a country that's already dealing with water scarcity will be a challenge.

### Located in water-scarce areas

Thermal power plants (TPPs) consume significant amounts of water during the electricity generation process. Most of India's TPPs are located in water-stressed areas, and water shortages have led to electricity-generation disruptions and significant revenue losses to the economy.

In December 2015, the Ministry of Environment, Forest and Climate Change issued a notification setting limits for water consumption by TPPs. However, the amended Environment Protection (EP) Rules codified in June 2018 ended up permitting TPPs to use more water than what was initially specified. There are certain mechanisms that need to be strengthened to make these regulations more effective.

The Central Electricity Authority (CEA) recently released the format for TPPs to report on their annual water consumption. The power plants were asked to specify both metered and un-metered usage, report on the source (like river, canal or sea), and state the percentage of deviation from the water norms, along with the reasons and the corrective measures undertaken.

These guidelines can be strengthened by including other relevant inputs. First, TPPs should disclose the amount of water consumed by them in previous years, so that a baseline for water consumption per TPP can

be established, and subsequent reductions in water consumption can be quantified. Second, these reporting requirements – currently in the form of an Excel sheet on the CEA website – must be added to the EP Rules, to accord the disclosure process greater transparency and enforceability. Third, TPPs should also be required to submit verifiable evidence (for example, water bills) to support and substantiate the disclosures. Without these, the self-reporting guidelines will remain weak.

Finally, the data supplied by TPPs should be placed in the public domain, so that the parameters disclosed can be studied in the context of region-specific water shortages, outages in the plants, and future research and analysis in this field.

### Specifying penalties

Section 15 of the EP Act provides for a blanket penalty for contravention of any provisions of the Environment Protection Act or EP Rules: up to five years of imprisonment and/or up to ₹1 lakh fine along with additional daily fines for continuing offences. However, the Act does not stipulate specific penalties for specific offences. Perhaps this is an area for review by the government, so that we have a more nuanced framework for enforcement and penalties.

Further, the relevant officials in charge of enforcement, across the Ministry and the CEA, should be identified, and their roles clearly defined. The implementation of these norms should include milestones and time-based targets, and periodic monitoring of the progress of TPPs in making improvements.

In addition to reducing the stress caused by TPPs, shifting to a more aggressive RE pathway will help India achieve its global climate targets. However, this will need further work – particularly to regulate water consumption by specific RE technologies. The Ministry of New and Renewable Energy has taken a first step by issuing a notice to State governments on reducing water use for cleaning solar panels and to explore alternative mechanisms to ensure that solar panels remain efficient.

India will need to balance the needs of its growing economy with its heightening water stress. Stringent implementation of standards for judicious water use by TPPs, combined with the promotion of RE and energy efficiency, will offer pathways for achieving these goals.

The writers work with the energy programme at the World Resources Institute, India

# Giving ties with Seoul a facelift

India-South Korea relations are yet to reach their full potential despite making significant strides

LAKHVINDER SINGH

Prime Minister Narendra Modi met South Korean President Moon Jae-in on the sidelines of the G20 summit last month in Osaka. Both agreed to find common ground between Seoul's 'New Southern Policy' and New Delhi's 'Act East Policy'.

Today, India and South Korea have the shared values of open society, democracy and liberal international economic order and their mutual engagement is at a historically unprecedented level. Significant strides have been made in several areas of science and technology.

The Indo-Korea Science and Technology Centre, established in Bengaluru in 2010 as a collaboration between the Indian Institute of Science and the Korea Institute of Science and Technology, is a shining example in this regard.

The emerging balance of power in the region has also started influencing the trajectory of defence ties. Co-production of the K9 Thunder howitzer is a prime example of the ongoing defence collaboration. With technology transfer from South Korea, India's Larsen and Toubro plans to achieve over 50% localisation by manufacturing the key components of these weapon systems domestically as part of 'Make in India'. Further, both countries have regularised education exchanges. Additionally, there is regular security dialogue between India's National Security Adviser and the intelligence agencies of Korea.



domestic market, its cheap labour costs and a stable legal system.

At the Osaka meeting, both leaders emphasised the need to create a new "synergy" to meet new challenges. Since India opened up its economy in the early 1990s, India-South Korea trade ties have grown from few hundred million dollars to \$22 billion at the end of 2018. Today the major items that India exports to South Korea include mineral fuels, oil distillates (mainly naphtha), cereals and, iron and steel. South Korea's main exports to India include automobile parts and telecommunication equipment, among others.

### Trade target likely to be missed

However, despite the robust ties, not everything is going as planned. The trade target of \$50 billion by 2030 is most likely to be missed due to lack of adequate efforts. The Comprehensive Economic Partnership Agreement, originally the core mechanism for economic ties, requires immediate upgrading. An early harvest agreed to last year, under which India agreed to reduce tariff on 11 commodities and South Korea on 17, failed to see completion.

More than eight years into its existence, the Indian Chamber of Commerce in Korea (ICCK), is struggling to find its due space in promoting economic and business ties and spends most of its time organising social and cultural events. A new, empowered commerce body is the urgent need of the hour. The Indian Cultural Centre, established more than ten years ago, has failed to reach out to common South Koreans, who still fail to differentiate between India and Indonesia. While it teaches regional dance forms to children, the bigger picture of introducing India to the general South Korean population has been lost. Further, social and economic discrimination against Indians working and living in South Korea is still a regular occurrence.

The writer is a Seoul-based geo-strategist

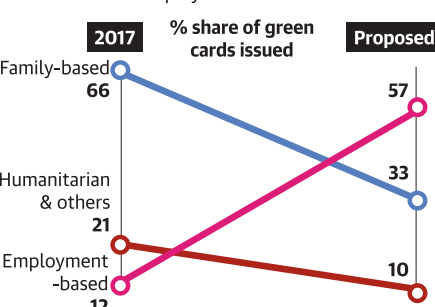


## DATA POINT

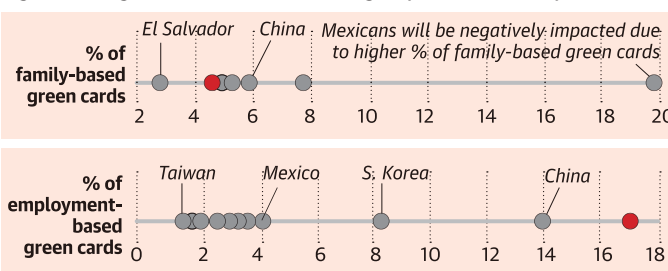
### Advantage Indians?

The U.S. is mulling a reduction in the number of green cards issued based on family ties and an increase in the share of skills-based immigrants. As the total number of green cards issued is proposed to remain the same, the idea may benefit highly-skilled Indians who wish to settle in the U.S. By **Sumant Sen & Niharika Pandya**

**Skill over family** | The merit-based immigration proposal aims to increase the share of green cards issued based on employment from 12% to 57%

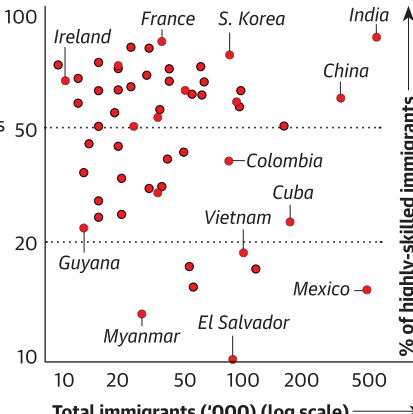


**Where India stands** | Graphs show the share of employment-based & family-based green card beneficiaries across select countries in 2017. Indians (●) received 17% of all employment-based green cards in 2017 – highest among all nations – while receiving only 5% of the family-based ones



### Better skilled

Between 2012 and 2017, over 86% of the total Indian immigrants in the U.S. had at least a bachelor's degree. This is the largest proportion of highly-skilled immigrants among all nations. On the contrary, such immigrants from China and Mexico accounted for 58% and 16% of their total respectively. The graph plots the total immigrants against the high-skilled from each country



### Longer queues

The table shows avg. years waited, until green card became available under quota, across select nationalities as of 2018. The wait time was longest for Indians

Country	Wait time
India	8.5 years
Mexico	8.4 years
Philippines	8 years
China	5.4 years

### Last word

The proposal to shift from family-based immigration to employment-based may help the highly-skilled Indian green card hopefuls to get the permanent resident status in higher numbers and may also reduce their wait period

Source: DHS, U.S., Cato Institute, Migration policy, org, USCIS, White House

## The Hindu.

### FROM THE ARCHIVES

FIFTY YEARS AGO JULY 24, 1969

### Space workshop to be put in orbit

The United States plans to put a space workshop into orbit in 1972, the Space Agency announced here [Houston] yesterday [July 22]. The National Aeronautics and Space Administration (NASA) said the third stage of the giant Saturn 5 rocket used to send Apollo spaceships to the moon would be used to house the orbiting laboratory and observatory. The project will study man's physiological and psychological responses in the space environment, and provide more detailed information on his capabilities for extended manned flight. The workshop is to be fitted out on the ground and will be launched into a 220 nautical mile circular earth orbit. It will be occupied by a crew of three astronauts who will follow in a smaller rocket about a day later. At first, the astronaut-scientists will spend about 28 days in the orbiting workshop, but later visits lasting up to 56 days are planned. The laboratory will be built into a modified S-IVB third stage of the Saturn 5 rocket. The S-IVB is used as the Saturn IB's second stage.

A HUNDRED YEARS AGO JULY 24, 1919.

### Castor-oil prices.

Indian castor-oil has now been proved to be an excellent lubricant and the scarcity of mineral oils here has made people to resort to the vegetable lubricant so much so that its prices have soared very high in the past some months. In February 1918 the export of castor-oil was restricted to the United Kingdom but the restriction was removed on 22nd February 1919. Owing to the failure of the south-west monsoon in June and July, the 1918-1919 crop of castor-seed was about 25 per cent, smaller than the large crop of 1917-1918. There was a strong local demand for the oil which was extensively used as a lubricant in the absence of the usual mineral lubricating oil. Local prices helped by speculation, it is stated, rose considerably varying from Rs. 125 to Rs. 225 per candy of 500 lb. and reached figures at which the Ministry of Food was unwilling to buy and increase its large stocks in England. The total shipments amounted to 559,881 gallons in 1918-19 against 920,758 gallons during the previous year, practically the whole of which went to the United Kingdom. The scope for the increased production of castor as a lubricant thus promises to be wide; and it would be well if the Agricultural Department would devote some attention to this raising of castor seeds.



## बिज़नेस स्टैंडर्ड

वर्ष 12 अंक 135

## बरकरार रहे स्वायत्तता

**भारतीय** प्रतिभूति एवं विनियम बोर्ड (सेबी) ने वित्त मंत्रालय से कहा है कि वह 2019–20 के केंद्रीय बजट के उन पहलुओं पर विचार करे  जिनमें उसके संचालन विधान यानी सेबी अधिनियम 1992 में परिवर्तन की बात कही गई है। वित्त विधेयक ने बाजार नियामक की आवश्यकताओं में कुछ अहम बदलाव किए हैं। उदाहरण के लिए प्रस्तावित संशोधन सुझाता

है कि हर वर्ष बाजार नियामक द्वारा धारित अधिशेष का तीन चौथाई, सरकार को सौंप दिया जाए। शेष राशि आरक्षित कोष में जाएगी लेकिन उसकी भी सीमा होगी। सरकार ने दो वर्ष के व्यय की समय सीमा तय की है। सरकार का प्रस्ताव केवल इतना ही नहीं है, संशोधन में यह भी कहा गया है कि सेबी किसी भी तरह के पूंजीगत व्यय के लिए सरकार की

अनुमति ले। इन बातों को एक साथ मिलाकर देखा जाए तो अच्छी तरह काम कर रहे नियामक की नियामकीय स्वायत्तता और उसकी शक्तियों में कमी करने का एक खेदजनक सिलसिला शुरू होता नजर आता है। सरकार कह सकती है कि बाजार नियामक को पूंजी की क्या आवश्यकता है और नियंत्रक एवं महालेखा परीक्षक को लग सकता है कि यह सरकारी फंड की संसदीय निगरानी को सीमित करने वाली बात है। परंतु इन प्रस्तावित संशोधनों से कई अन्य सवाल उठ खड़े होते हैं। आरबीआई के उलट यह राशि कोई बहुत बड़ी राशि नहीं है। आरबीआई को अपने नियामकीय परिचालन से अहम राशि मिलती है जबकि सेबी ने 2016–17 में निवेश से केवल 200 करोड़ रुपये की राशि अर्जित की। शेष करीब 500 करोड़ रुपये

की राशि उसकी नियामकीय गतिविधियों से आई। मार्च 2019 में सेबी का आरक्षित भंडार 3,800 करोड़ रुपये था। ऐसे में जाहिर है सरकार को सेबी से जो फंड मिलेगा उसका आकार बहुत बड़ा नहीं है। इससे सरकार के राजकोष में शायद ही कोई अंतर आए। इससे यह चिंता उत्पन्न हुई है कि यह कोशिश शायद नियामक पर नियंत्रण कायम करने के लिए की जा रही है। सेबी के चेयरमैन का यह कहना सही है कि प्रस्ताव पर वित्तीय स्थिरता एवं विकास परिषद द्वारा चर्चा की जा रही है और वित्त विधेयक के जरिये सेबी अधिनियम में संशोधन की कोशिश के बजाय परिषद के अंतिम निर्णय तक प्रतीक्षा की जानी चाहिए थी। सेबी के कर्मचारी संगठन ने भी प्रधानमंत्री को पत्र लिखकर यह संकेत किया है कि नियामक की

अधिशेष राशि को स्वतः देश के समावेशी फंड में हस्तांतरित करने का एक अर्थ यह होगा मानो नियामकीय कदम बाजार प्रतिभागियों पर एक अतिरिक्त कर के समान हों। यह बात व्यापक तौर पर सही है। पत्र आगे आगाह करता है कि इससे एक किस्म का विकृत प्रोत्साहन मिलेगा। सरकार तो हमेशा राजस्व में  इजाफा करना चाहती है लेकिन सेबी की चिंताएं कहीं अधिक व्यापक हैं। इनमें बाजार की स्थिरता भी शामिल है। इससे एक किस्म की नैतिक समस्या भी उत्पन्न होगी जिसमें उपरोक्त दोनों तरह के प्रोत्साहन में टकराव उत्पन्न होगा।

पूँजीगत व्यय पर नियंत्रण भी समान रूप से परेशानी की वजह है। यह निर्णय लेने का अधिकार नियामक का होना चाहिए कि उसके काम के लिए अतिरिक्त पूंजीगत व्यय की

आवश्यकता है या नहीं। यह काम समुचित रूप से गठित बोर्ड के माध्यम से हो सकता है। नियामक सरकार के नहीं बल्कि बोर्ड के जरिये अपने अधिदेश के प्रति जवाबदेह है। सच तो यह है कि अगर सेबी को लगता है कि वह बाजार प्रतिभागियों से बहुत अधिक शुल्क अर्जित कर रहा है तो उसके मौजूदा अधिदेश के मुताबिक वह बाजार का दायरा बढ़ाने के लिए शुल्क में कमी करेगा। जटिल वित्तीय बाजार की निगरानी के लिए कोई भी कदम उठाने का निर्णय नियामक बोर्ड की सहमति से लेगा, न कि वित्त मंत्रालय की। नियामकीय स्वायत्तता का यही अर्थ है। सरकार को अपनी बात पर पुनर्विचार करना चाहिए। खासकर तब जबकि मामला देश के बाजारों के नियमन और स्थिरता का है।



विनय सिन्हा

# वर्ष 2019 का बजट बदलाव का प्रतिमान

इस बजट ने सभी आशंकाओं को निर्मूल करते हुए यह माना है कि अर्थव्यवस्था में परिसंपत्ति निर्माण करने में निजी क्षेत्र अत्यधिक महत्त्वपूर्ण कारक है। विस्तार से बता रहे हैं **राजीव कुमार**

वित्त मंत्री निर्मला सीतारमण के पहले बजट को आने वाले दिनों में आर्थिक गतिविधियों की गति और उनकी प्रकृति में जबरदस्त बदलाव लाने वाले बजट के रूप में देखा जाएगा। उनके बजट भाषण में निजी निवेश को लेकर अत्यधिक सकारात्मक रुख देखने को मिला और देश की अर्थव्यवस्था को 5 लाख करोड़ रुपये के लक्ष्य तक पहुंचाने की दिशा में इस क्षेत्र की भूमिका को मुखर ढंग से स्वीकार किया गया। बजट में निजी निवेश को बढ़ावा देने वाले कई उपाय शामिल किए गए हैं। यहां सरकार की भूमिका सहायक की रहेगी और वह निजी निवेश को ज्यादा आकर्षक और व्यवहार्य बनाने के क्रम में आने वाले जोखिम साझा करने की इच्छाशक्ति भी दिखाएगी।

इनमें से कुछ उपायों का विस्तार से ब्योरा देने के पहले मैं दो ऐसी बातों का जिक्र करना चाहूंगा जो निजी निवेश आधारित वृद्धि नीति की पूर्व शर्त की तरह हैं। पहली बात, यह जरूरी है कि अफसरशाही खुले दिल से इस रुख को स्वीकार करे और बजट में शामिल पहलों को लागू करने में सक्रिय भूमिका निभाए। उदाहरण के लिए यह सुनिश्चित किया जाना चाहिए कि विनिवेश के ऊंचे

लक्ष्य हासिल किए जा सकें। रेलवे में निजी-सार्वजनिक भागीदारी अमल में आए और एमएसएमई को ऋण की बेहतर सुविधा मिले और बजट में की गई घोषणा के अनुरूप उन्हें ब्याज में दो फीसदी की छूट मिले। इसके लिए शासन व्यवस्था में और सुधार लाना होगा और प्रदर्शन के आकलन के लिए उत्पादन-निष्कर्ष आधारित व्यवस्था लागू करनी होगी। बजट दस्तावेजों में पहली बार उन सभी शासकीय योजनाओं के लिए उत्पादन-निष्कर्ष प्रदर्शन आकलन ढांचे की बात शामिल की गई है, जिनका आवंटन 500 करोड़ रुपये से अधिक है।

दूसरी पूर्व शर्त है सरकार और उन अंशधारकों के बीच भरोसे का रिश्ता कायम करना, जिनकी देश की आर्थिक गतिविधियां बढ़ाने में अहम भूमिका होनी है। आजादी के तत्काल बाद के दौर में ऐसा भरोसा देखने को मिलता था लेकिन सन 1970 और 1980 के दशक में यह भरोसा टूट गया क्योंकि सरकार ने सार्वजनिक उपक्रमों को खूब बढ़ावा दिया। इस दौरान देश में लाइसेंस और इंस्पेक्टर राज कायम हो गया जिसने सरकार और कारोबारी जगत के बीच की संबंधों को सहयोगात्मक रिश्तों से संरक्षक और ग्राहक के रिश्ते में तब्दील कर दिया। रिश्ते में भरोसा

वैश्विक बाजार में हिस्सेदारी बढ़ाने और मेक इन इंडिया को सफल बनाने के लिए अनिवार्य है। बजट में यह चिह्नित किया गया है कि निजी निवेश आधारित वृद्धि के लिए सरकार को लंबी अवधि की बुनियादी परियोजनाओं का कुछ जोखिम साझा करना होगा। इस लक्ष्य को हासिल करने के लिए निजी निवेशकों को हवाई अड्डों, राजमार्ग, गैस पाइपलाइन तथा दूरसंचार क्षेत्र की बुनियादी परियोजनाओं का काम सौंपा जा सकता है। इससे बुनियादी क्षेत्र में निजी निवेश जुटाने में मदद मिलेगी। इस क्षेत्र में अगले पांच वर्ष तक सालाना करीब 20 लाख करोड़ रुपये के निवेश की आवश्यकता है। तभी हम बुनियादी ढांचा क्षेत्र की कमियों को पूरा कर पाएंगे।

बजट में यह घोषणा भी की गई कि उन क्षेत्रों में निजी निवेश जुटाया जाएगा जिनमें अब तक सार्वजनिक क्षेत्र का एकाधिकार माना जाता था। उदाहरण के लिए भारतीय रेल और रक्षा उत्पादन। बजट अनुमान के मुताबिक रेलवे को बुनियादी सुविधाओं और आधुनिकीकरण के लिए अगले 10 वर्ष में करीब 50 लाख करोड़ रुपये की आवश्यकता है। अगर यह बुनियादी उन्नयन हो सका तो भारतीय रेल माल भाड़े और यात्री परिवहन में अपनी हिस्सेदारी वापस जुटा लेगी। बीते

दशकों में इन क्षेत्रों में उसकी हिस्सेदारी कम हुई है। बजट में यह भी कहा गया कि ऐसा भारी निवेश ट्रेक की अधोसंरचना, रेलवे रॉलिंग स्टॉक और माल और यात्री परिवहन के क्षेत्र में निजी सार्वजनिक भागीदारी को बढ़ावा देकर ही किया जा सकता है। इसी तरह घरेलू स्तर पर उत्पादित महत्वपूर्ण उपकरणों की हिस्सेदारी बढ़ाने में भी निजी निवेश की आवश्यकता होगी।

निजी उपक्रमों को बढ़ावा देने के क्रम में बजट यह घोषणा भी की गई कि 400 करोड़ रुपये से कम के कारोबार वाली कंपनियों को केवल 25 फीसदी कॉर्पोरेट कर देना होगा। यह प्रावधान अब देश के 99.3 फीसदी उपक्रमों पर लागू होगा। केवल 0.7 फीसदी कंपनियों को 34 फीसदी की उच्च ब्याज दर चुकानी होगी। पहले यह रियायत केवल 250 करोड़ रुपये तक के कारोबार वाली कंपनियों को थी। इसी प्रकार जो एमएसएमई वस्तु एवं सेवा कर के अधीन पंजीकृत हैं उन्हें तमाम नए और वृद्धिकारी ऋण के लिए ब्याज में दो फीसदी की रियायत मिलेगी। स्टार्टअप द्वारा पहली और दूसरी श्रेणी के वैकल्पिक निवेश फंडों को जारी शेयरों को भी आयकर निगरानी के दायरे से बाहर किया जा सकता है। ऐंजल टैक्स से संबंधित मसलों को भी हल किया गया है।

निजी उपक्रमों को बढ़ावा देने का सरकार का लक्ष्य चालू वित्त वर्ष के लिए 1.05 लाख करोड़ रुपये की विनिवेश योजना में भी परिलक्षित होता है। इसके साथ ही सरकार ने यह घोषणा भी की कि वह रणनीतिक विनिवेश के लक्ष्य को हासिल करने के लिए सार्वजनिक उपक्रमों में अपनी हिस्सेदारी 51 फीसदी से कम करने के लिए तैयार है। बजट ने इस बात को दोहराया कि सरकार न केवल एयर इंडिया बल्कि उन सभी अन्य सार्वजनिक उपक्रमों के रणनीतिक निजीकरण के लिए प्रतिबद्ध है जिनके रणनीतिक निजीकरण से लाभ हो सकता है।

अनिवासी भारतीयों की बात करें तो बजट में केवाईसी मानकों को शिथिल करने की बात कही गई है। उनको विदेशी पोर्टफोलियो निवेश की मदद से भारत में निवेश सुविधा देने की बात भी कही गई है। इससे अनुपालन की दिक्कत कम होगी। प्रत्यक्ष विदेशी निवेश की आवक की बात करें तो एकल ब्रांड खुदरा, नागरिक उड्डयन, मीडिया और बीमा क्षेत्र में इन्हें उदार बनाने की बात बजट में शामिल है। बीमा क्षेत्र की मध्यस्थ कंपनियों में 100 फीसदी प्रत्यक्ष विदेशी निवेश की बात कही गई है।

बजट सरकार के निजी निवेश और उद्यमों के माध्यम से आर्थिक वृद्धि को गति देने के इरादे को साफ जाहिर करता है। ऐसे में अब यह संदेह दूर हो जाना चाहिए कि सरकार निजी उद्यमों को अर्थव्यवस्था में मूल्य और परिसंपत्ति वर्धन का माध्यम नहीं मानती। सरकार सामाजिक और भौतिक बुनियादी ढांचा निधाने की अपनी भूमिका निभाती रहेगी और समावेशन और सुदृढ़ीकरण से जुड़े कदम उठाती रहेगी। दुनिया भर में हमने ऐसे दृश्य देखे हैं जहां निजी क्षेत्र के नेतृत्व में वृद्धि को गति मिली है और हाशिये के लोगों का बेहतर समावेशन संभव हुआ है। इसके साथ ही वृद्धि और पर्यावरण संरक्षण भी सुनिश्चित हुआ है।

*(लेखक नीति आयोग के उपाध्यक्ष हैं।)*

# हवाईअड्डा नियामक की भूमिका में बदलाव से उठे गंभीर सवाल

**मोदी** सरकार आर्थिक क्षेत्रों के नियमन की राह में एक अस्वस्थ मिसाल पेश करती दिख रही है। अगर कोई क्षेत्र बहुत तेजी से बढ़ा है और उसमें कई निजी कंपनियां सार्वजनिक क्षेत्र की इकाइयों के साथ भागीदारी में आ रही हैं तो उसके स्वतंत्र नियामक का कार्यक्षेत्र एवं शक्तियां इस सत्याभासी आधार पर सीमित की जा सकती हैं कि उस पर पड़ रहे बोझ को कम किया जा सके।

पिछले हफ्ते संसद में पारित भारतीय हवाईअड्डा आर्थिक नियमन प्राधिकरण संशोधन अधिनियम में भी ऐसा ही कुछ होता हुआ नजर आया। इस संशोधन विधेयक के जरिये वर्ष 2008 में बने मूल कानून के दो खास प्रावधानों में बदलाव कर दिया गया है। पहला बदलाव बड़े हवाईअड्डों के निर्धारण से जुड़ी सीमा बढ़ाने से संबंधित है। यह कार्य हवाईअड्डा आर्थिक नियमन प्राधिकरण (एईआरए) के दायरे में आता रहा है। दूसरा बदलाव इस प्राधिकरण के दायरे से उन सभी हवाईअड्डों को बाहर कर देता है जिन्हें ऑपरेटरों ने शुल्क-आधारित निविदा या पूर्व-निर्धारित शुल्कों के आधार पर हासिल किया है।

भारत में कुल 102 हवाईअड्डे मौजूद हैं जिनमें से दिल्ली एवं मुंबई जैसे सात संयुक्त रूप से संचालित अंतरराष्ट्रीय हवाईअड्डे हैं, 20 अंतरराष्ट्रीय हवाईअड्डे हैं, आठ कस्टम हवाईअड्डे हैं और सात हवाईअड्डे राज्य सरकारों या निजी क्षेत्र के हैं। इनमें से केवल 33 हवाईअड्डे ही आर्थिक नियमन प्राधिकरण के दायरे में आते हैं जिनके यहां से साल भर में 15 लाख यात्री आवागमन करते हैं।

लेकिन यह व्यवस्था एईआरए अधिनियम में पिछले हफ्ते हुए संशोधन तक ही लागू थी। संशोधित कानून में कहा गया है कि प्राधिकरण केवल उन्हीं हवाईअड्डों का नियमन करेगा जहां पर सालाना आवाजाही 35 लाख यात्रियों से अधिक है। वर्ष 2018–19 के विमानन आंकड़ों के आधार पर प्राधिकरण के दायरे में महज 16 हवाईअड्डे ही रह जाएंगे।

दरअसल सरकार ने संसद में यह दलील दी कि कानून में ये बदलाव किए जाने से हवाईअड्डों के नियमन में प्राधिकरण की भूमिका कम नहीं होगी। वर्ष 2008 में जब यह कानून बना था तो उस समय के हिसाब से 15



**दिल्ली डायरी**

**ए के भट्टाचार्य**

लाख यात्रियों की संचालन क्षमता को बड़ा हवाईअड्डा तय करने का मानक बनाया गया था। उस समय यह कुल हवाईअड्डा क्षमता का महज 1.3 फीसदी था। लेकिन उसके बाद से विमान यात्रा करने वाले लोगों की संख्या काफी तेजी से बढ़ी है और नए कानून में रखी गई 35 लाख यात्रियों की नई सीमा कुल आवाजाही के 1.3 फीसदी से बहुत अधिक है। इस तरह सरकारी दलील को मानें तो हवाईअड्डा नियामक के कार्यक्षेत्र में कोई कटौती नहीं की गई है।

हालांकि इस फैसले के पीछे का पेशान करने वाला पहलू तब नजर आता है जब कोई व्यक्ति संशोधन विधेयक से संलग्न ‘प्रयोजन एवं कारण बयान’ को पढ़े। इस बयान के मुताबिक, विमानन क्षेत्र की तीव्र वृद्धि ने एक तरफ प्राधिकरण पर जबरदस्त दबाव डाला है वहीं दूसरी तरफ सार्वजनिक-निजी भागीदारी के तहत कई निजी ऑपरेटर इस क्षेत्र में प्रवेश कर रहे हैं। इसके लिए लंबी पूर्णता अवधि को देखते हुए नियामकीय निश्चितता की जरूरत होती है। इस जटिलता को दूर करने के लिए यह महसूस किया गया है कि अगर बहुतेरे

हवाईअड्डे इस प्राधिकरण की निगरानी में रहेंगे तो सीमित संसाधन होने के नाते प्राधिकरण के लिए प्रभावी ढंग से शुल्क निर्धारण कर पाना और बड़े हवाईअड्डों पर सेवा के स्तर पर नजर रखना मुश्किल हो जाएगा।

इसी तरह पूर्व-निर्धारित शुल्कों या शुल्क-आधारित निविदा के आधार पर ऑपरेटरों को सौंपे गए हवाईअड्डों का नियमन अब प्राधिकरण के हाथों नहीं होगा। निश्चित रूप से इन शुल्कों के स्तर को लेकर प्राधिकरण से अग्रिम सलाह ली जाएगी लेकिन अब बड़े हवाईअड्डों पर हरेक पांच साल पर शुल्क निर्धारित करने में

नियामक की प्रभावी भूमिका नहीं रह जाएगी। सरकार ने तर्क दिया है कि ‘ऐसे शुल्क-आधारित मॉडल में बाजार अपने-आप शुल्क दरें तय करता है और परियोजना आवंटित कर दिए जाने के बाद शुल्क तय करने में नियामक की कोई जरूरत नहीं है’। बाजार भले ही शुल्क के बारे में फैसला कर सकता है लेकिन उन शुल्क दरों पर निगरानी एवं समय-समय पर नियमन की स्थिति बनती नहीं दिख रही है।

एईआरए को दीवार पर लिखी इबारत पढ़नी चाहिए क्योंकि आगे चलकर इसकी भूमिका में और कम हो जाएगी। संशोधन विधेयक के साथ संलग्न बयान इस आशंका को पूरी तरह साफ कर देता है। हवाईअड्डा विकास के लिए शुल्क-आधारित मॉडल की भूमिका का जिक्र करते हुए कहा गया है, ‘यह मॉडल हवाईअड्डों पर लगने वाले शुल्क को कम करने के लिए लाया गया है लिहाजा भविष्य में हवाईअड्डों की इसी मॉडल पर विकसित किया जाएगा।’

इस घटनाक्रम से कई गंभीर सवाल खड़े होते हैं। अगर 33 हवाईअड्डों के नियमन से ही एईआरए पर काम का बोझ था तो सरकार ने नियामक की ताकत बढ़ाने के लिए अधिक सरल विक्ल्प क्यों नहीं तलाशे? देश के 17 हवाईअड्डों (कालीकट, श्रीनगर, कोयंबटूर, अमृतसर, मंगलूरु, वाराणसी, पोर्ट ब्लेयर, तिरुचिरापल्ली, नागपुर, कनूर, विशाखापत्तनम, बागडोगरा, चंडीगढ़, मदुरै, इंदौर, रांची और रायपुर) के नियमन एईआरए के दायरे से बाहर रखकर क्या सरकार ने खुद अपनी भूमिका का विस्तार किया है? आखिर, अब इन 17 हवाईअड्डों की निगरानी का जिम्मा संभालने वाले भारतीय हवाईअड्डा प्राधिकरण (एएआई) का नियंत्रण सरकार के हो पास होता है। क्या एएआई के पास इस अतिरिक्त जिम्मेदारी का बोझ उठाने की क्षमता है? या फिर इस कानून में बदलाव निजी क्षेत्र के हवाईअड्डा संचालकों को ध्यान में रखते हुए किए गए हैं? अंत में, क्या विमानन क्षेत्र में नियमन को लेकर अपनाया गया यह सिद्धांत अन्य क्षेत्रों में भी लागू किया जाएगा?

### कानाफूसी

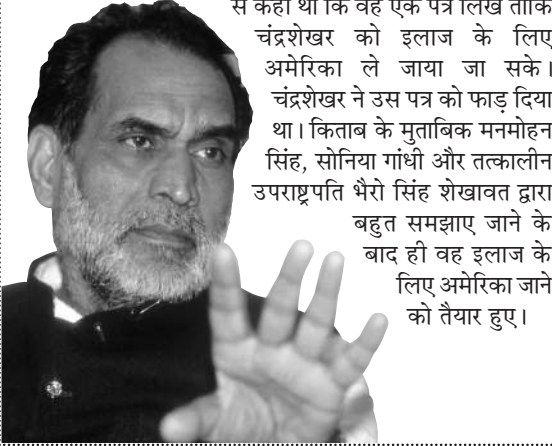
**योजनाओं पर फिरेगा पानी?**

प्रधानमंत्री नरेंद्र मोदी के नेतृत्व वाली केंद्र सरकार संसद के मौजूदा सत्र को कम से कम एक सप्ताह के लिए आगे बढ़ाने की योजना बना रही है। अगर ऐसा होता है तो कुछ संसद सदस्यों की योजनाएं गड़बड़ा सकती हैं। इन सांसदों में भारतीय जनता पार्टी की सदस्यता ली थी। किताब में कई दिलचस्प किस्से दर्ज हैं। उदाहरण के लिए 2006 में जब चंद्रशेखर की तबियत खराब रहने लगी थी तब प्रधानमंत्री मनमोहन सिंह ने उनके राजनीतिक सलाहकार एच एन शर्मा से कहा था कि वह एक पत्र लिखें ताकि चंद्रशेखर को इलाज के लिए अमेरिका ले जाया जा सके। चंद्रशेखर ने उस पत्र को फाड़ दिया था। किताब के मुताबिक मनमोहन सिंह, सोनिया गांधी और तत्कालीन उपराष्ट्रपति भैरो सिंह शेखावत द्वारा बहुत समझाए जाने के बाद ही वह इलाज के लिए अमेरिका जाने को तैयार हुए।

**चंद्रशेखर की याद**

प्रधानमंत्री नरेंद्र मोदी बुधवार को पूर्व प्रधानमंत्री चंद्रशेखर की जीवनी का लोकार्पण करेंगे। द लास्ट आइकन ऑफ आइडियोलॉजिकल पॉलिटिक्स नामक इस पुस्तक का लेखन पूर्व पत्रकार और राज्यसभा के उपसभापति हरिवंश और शोध विद्वान रवि दत्त बाजपेयी ने किया है। गत सप्ताह पूर्व प्रधानमंत्री चंद्रशेखर के बेटे नीरज शेखर ने राज्य सभा से इस्तीफा देकर भारतीय जनता पार्टी की सदस्यता ली थी। किताब में कई दिलचस्प किस्से दर्ज हैं। उदाहरण के लिए 2006 में जब चंद्रशेखर की तबियत खराब रहने लगी थी तब प्रधानमंत्री मनमोहन सिंह ने उनके राजनीतिक सलाहकार एच एन शर्मा से कहा था कि वह एक पत्र लिखें ताकि चंद्रशेखर को इलाज के लिए अमेरिका ले जाया जा सके।

चंद्रशेखर ने उस पत्र को फाड़ दिया था। किताब के मुताबिक मनमोहन सिंह, सोनिया गांधी और तत्कालीन उपराष्ट्रपति भैरो सिंह शेखावत द्वारा बहुत समझाए जाने के बाद ही वह इलाज के लिए अमेरिका जाने को तैयार हुए।



### आपका पक्ष

**उच्च शिक्षा की बेहतरी पर हो ध्यान**

हाल में मीडिया में यह खबर आई कि विश्वविद्यालय अनुदान आयोग (यूजीसी) एकसाथ दो डिग्री की पढ़ाई करने पर विचार कर रहा है। इसके तहत विद्यार्थी एक ही विश्वविद्यालय से एक साथ विभिन्न डिग्रियां हासिल कर सकेंगे अथवा विभिन्न विश्वविद्यालय से पत्राचार या ऑनलाइन डिग्री हासिल कर सकेंगे। इसके लिए यूजीसी ने अपने अध्यक्ष भूषण पटवर्धन की अध्यक्षता में एक समिति बनाई है। सवाल यह उठता है कि क्या एक साथ दो डिग्री हासिल करने वाले विद्यार्थी को रोजगार के लिए कम मशक्कत करनी पड़ेगी। आज देश में रोजगार की कमी है तथा सरकारी रिक्तियां भी नहीं निकल रही हैं। अगर चतुर्थवर्गीय कर्मचारी या चपरासी के लिए भी रिक्तियां निकलती हैं तो आवेदन करने वालों में पीएचडी डिग्री वाले अभ्यर्थी भी शामिल हो रहे हैं। देश में रोजगार की समस्या कम पढ़ों पर नियुक्तियां निकालने के साथ रोजगार लायक



प्रशिक्षण का नहीं होना है। आज भी ऐसे कई पाठ्यक्रम चल रहे हैं जिसमें सिर्फ डिग्री ही हासिल हो सकती है रोजगार नहीं। अतः यूजीसी तथा सरकार को रोजगारोन्मुख विषयों की पढ़ाई पर जोर देना चाहिए और छात्रों को इस विषय के लिए प्रोत्साहित करना चाहिए। इसके अलावा छात्रों को पढ़ाई के दौरान ही प्रशिक्षण देना

**आईटीआई की तर्ज पर विश्वविद्यालयों में भी प्रायोगिक प्रशिक्षण दिया जाना चाहिए**

चाहिए जिससे किसी कंपनी में नौकरी के लिए जाएं तो प्रशिक्षण के आधार पर उन्हें तुरंत नौकरी पर रखा जा सके। वर्तमान में चल रहे पढ़ाई के दौरान ही प्रशिक्षण देना

**पाठक अपनी राय हमें इस पते पर भेज सकते हैं : संपादक, बिजनेस स्टैंडर्ड लिमिटेड, 4, बहादुर शाह जफर मार्ग, नई दिल्ली - 110002. आप हमें ईमेल भी कर सकते हैं : lettershindi@bsmail.in** **उस जगह का उल्लेख अवश्य करें, जहां से आप ईमेल कर रहे हैं।**

(आईटीआई) ऐसे पाठ्यक्रम या प्रशिक्षण का बेहतर उदाहरण हैं। इसमें पढ़ाई करने वाले छात्रों को इलेक्ट्रिकल, इलेक्ट्रॉनिक्स तथा फीटर आदि विषयों के बारे में पढ़ाया जाता है तथा उचित प्रायोगिक प्रशिक्षण भी दिया जाता है। यहां से पाठ्यक्रम पूरा करने के बाद छात्रों को किसी कंपनी में फौजन नौकरी मिल ती जाती है। अतः विश्वविद्यालयों में ऐसी कवायद करनी चाहिए

*मोहित कुमार, नई दिल्ली*

**केंद्र ही बनाए आदर्श किराया कानून**

आवास एवं शहरी विकास मंत्रालय

जहां आदर्श किराया कानून के मसौदे पर लोगों से सुझाव मांगे हैं वहीं विशेषज्ञों की राय है कि रेरा की तरह इसे लागू करना रण्यों के क्षेत्राधिकार में रहेगा व इस मसौदे

प्रत्येक राज्य करे। राज्य सरकारें

अधिक न्यायसंगत होगा कि मसौदे को स्वीकार कर उसके अनुरूप बने

हुए कानून का पालन देश का चलेक राज्य करे। राज्य सरकारें अधिक किराया कानून की अनुपालना के लिए न्यायालयों, किराया पंचाटों की स्थापना व मजिस्ट्रेटों और सेवानिवृत्त जजों की उपलब्धता व नियुक्ति की प्रक्रिया का कार्य संपादित करें। देश में एकसमान कानून व जनहित में उसका अनुपालन होना चाहिए।







