

CHATTERBOX

Reshuffle on the cards?

Fifty days of the Bharatiya Janata Party-led National Democratic Alliance (NDA) government are over but two important parties in the NDA: the All India Anna Dravida Munnetra Kazhagam (AIADMK) and the Janata Dal United (JDU) have no representatives in the union government. So is a reshuffle overdue? Ahead of cabinet formation in May, Deputy Chief Minister O Panneerselvam's son P Raveendranath Kumar and Rajya Sabha member R Vaithilingam were considered as probables in the Union government. While Kumar was the lone AIADMK-NDA victor from Tamil Nadu winning from Theni in the Lok Sabha elections, Vaithilingam was the housing minister in the late J Jayalalithaa's tenure during 2011-16. JD(U) was offered a place in the Union government but was offended with just one ministership. At the last minute, JD(U) leader and Bihar Chief Minister Nitish Kumar, decided the party will not be a part of the government. So a reshuffle is inevitable: the question is, when?

On his way out

Former Himachal Pradesh minister and MLA Anil Sharma — who quit the BJP cabinet in April when his son Aashray contested the Lok Sabha election on a Congress ticket (and lost) — is expected to be kicked out of the party any day. The saffron party had offered its incumbent MP Ram Swaroop the ticket from Mandi constituency, which he won by over 4 lakh votes. At a celebration function in his own constituency that was attended by Chief Minister Jairam Thakur, there was no chair on the stage with Sharma's name on it. He just left the venue. He is expecting marching orders.

DID THEY REALLY SAY THAT?



**"Our neighbouring country (Pakistan) cannot fight a full-fledged war or a limited war with India. It is fighting a proxy war"**

Defence Minister Rajnath Singh in Lok Sabha on the 20th anniversary of Kargil conflict as Parliament paid tributes to Indian soldiers, July 26



OPINION

JAIRAM RAMESH

Amendments ordered to make CIC toothless

Why are these amendments being brought about now? It is very interesting. It is very important to understand that the timing of these amendments is not so innocuous; it is not so innocent; and after reviewing RTI decisions some of which have already been alluded to by Mr Singhvi, I have here five cases that have propelled the government to bring forward these amendments.

Between 2003 and 2013, the Chief Minister of Gujarat came to the Planning Commission, and the Planning Commission would ask him uncomfortable questions on the state of health in Gujarat, on the state of education in Gujarat; why social development in Gujarat was not commensurate with economic development in the state.

In 2014, the chief minister of Gujarat became the Prime Minister of India (expunged) and abolished the Planning Commission. Today, the Prime Minister of India is (expunged) on these five cases.

What are these five cases? Firstly, the CIC ordered disclosure of the Prime Minister's educational qualification; the matter is in the Delhi High Court today, as I speak.

The second embarrassing case for this government is, the Prime Minister claimed that 40 million bogus ration cards were weeded out by his government. The RTI showed that the number of bogus ration cards is about 23 million and a correction had to be made by the Prime Minister to make that number commensurate with the Parliamentary question that was answered by Ram Vilas Paswan.

The third is the disclosure on demonetisation. It was the Chief Information Commission's decision which revealed that less than four hours before the Prime Minister announced demonetisation on November 8, 2016, the Central Board of the Reserve Bank of India gave its approval.

The first embarrassing case was the disclosure of the Prime Minister's educational qualification. Since it is pending in the court, I am not expanding on it. The second is the false claims made by the Prime Minister on bogus ration cards. The third, which I was reading before I was interrupted is that four hours before the television announcement on demonetisation, it is an RTI request that revealed that the RBI gave its approval to the scheme.

The fourth embarrassing case to this government is that an RTI enquiry revealed that the former Governor of the Reserve Bank of India, Dr Raghuram Rajan — the Minister may kindly listen to me and not look perplexed because these are all facts; it is the RTI enquiry that revealed this — had listed out the names of NPA defaulters to the Prime Minister's Office eight months into his Prime Ministerial tenure.

The fifth case, which is embarrassing to this government is that the Chief Information Commission directed the Prime Minister's Office to disclose information about quantum and value of black money brought back from abroad. The Prime Minister's Office refused to share the details of the quantum of black money brought back from abroad despite the CIC ordering the disclosure.

So, the real reason is not this false reason of parity with the Chief Election Commission. The real reason for these Amendments is to make the Information Commission toothless, to make sure that these types of embarrassments don't repeat themselves. And the only way to do it is to convert the Chief Information Commission from an independent autonomous body to a toothless government, Prime Minister's Office-directed body. That is the real business of this Amendment Bill.

A couple of days ago, the Minister defended these amendments. And, while defending these amendments, he said, 'We have strengthened the RTI Act. We have given the CIC its own building. They have their own building.' Mr Minister, you did not do the CIC any favour by giving them a building. The building was under construction. You were fortunate that the Prime Minister happen to be there in Office to go and inaugurate the building. So, to say that you have strengthened the RTI by giving the CIC a separate building is a deliberate falsification of facts.

The second point that the Minister made is, 'One of the missing links is that there was no provision to frame rules under the RTI Act. It should have been there.' Sir, this is completely an erroneous impression. Section 27 — I don't know whether the Minister has ever read the RTI Act — of the Act empowers the Central Government and the State Governments to make rules. We don't pass any Bill without the power to make rules.

The third claim, the Minister said, 'It is this Government which introduced a portal for the RTI.' Sir, the portal was inaugurated on August 21, 2013, by his predecessor, Shri V Narayanasamy, who is now the Chief Minister of Puducherry.

He said, 'We walked an extra mile. There should be Leader of Opposition in the Selection Committee. But, now, the leader of the largest Opposition party is a Member.' He made it sound as if he was doing us a favour. You look at the original RTI Act and I invite the Minister's attention to Section 12(2). What does it say? It says that the Chief Information Commissioner and Information Commissioners shall be appointed by the President on the recommendation of the Committee consisting of the Prime Minister, the Leader of Opposition in the Lok Sabha and a Union Cabinet Minister to be nominated by the Prime Minister.

The Minister has forgotten to add the explanation in the original Act. The explanation says, 'for purposes of removal of doubts, it is hereby declared that where the Leader of Opposition in the House of People has not been recognised as such, the leader of the single largest group in Opposition of the Government in the House of People shall be deemed to be the Leader of Opposition.' This is in 2005. And, the Minister tells Lok Sabha that there was no provision for the leader of the largest party and we are making this provision. These are all misleading statements being made.

*Edited excerpts from Congress MP in the Rajya Sabha, Jairam Ramesh, speaking during the debate on the RTI (Amendment) Bill, 2019, on July 25, 2019*



ILLUSTRATION BY BINAY SINHA

The Indian Council for Medical Research's National Institute for Medical Statistics (ICMR-NIMS), in partnership with Population Council, recently launched the National Data Quality Forum. Dr Balram Bhargava, Director General, ICMR speaks to Aditi Phadnis elaborating on how the platform will bring both data producers and consumers on a common platform and ensure efficient utilisation of the quality data in formulating policies. Edited excerpts:

'Aim is to create a space for better data'

Why are we launching another exercise to collect health-data when India already has the Family Health Survey, the NSSO, the Census?

The National Data Quality Forum (NDQF) is a platform where both data producers and consumers will come together on a common platform to discuss and encourage the inculcation of best practices required to generate good quality data and its efficient utilisation for data driven evidence-based policy formulation. This platform will aim to carve out ways for improving the current practices of data collection, collation and utilisation which can help in achieving robust estimates at district, state and pan India level.

Such an initiative is not another data col-

lection exercise but has been launched to usher in standardisation and enhanced quality in the existing ongoing periodic surveys and routine programme data landscape in India. We envision that NDQF will provide guidance in standardising tools for indicators emerging from different data sets. When multiple ministries and decision-making bodies refer to these indicators, we hope it will provide them with a guide for selection and appropriate policy changes. It is important that consumers also understand the quality of data before they start utilising the same. India is a very data rich country, if its administrative data is being questioned, platforms like NDQF are critical in providing the solutions to this.

CHECKLIST SERIAL OFFENDER: RECENT GAFFES OF US PRESIDENT DONALD TRUMP

- Ahead of his meeting with Japanese Prime Minister Shinzo Abe at G20 summit in June: "If Japan is attacked, we will fight World War III. But if we're attacked, Japan doesn't have to help us at all. They can watch it on a Sony television."
- Amid allegations that Russian agencies 'influenced' US elections, During a meeting with Russian President Vladimir Putin on the sidelines of G20 summit in Japan, Trump said, at a press conference: "Don't meddle in the election, please." At the same press conference, he said: "Get rid of them [journalists]. Fake news is a great term, isn't it? You don't have this problem in Russia but we do."
- In June, during a visit to the UK, POTUS tweeted: "I meet and talk to "foreign governments" every day. I just met with the Queen of England (UK), the Prince of Whales (sic)

the P.M of the United Kingdom, the P.M of Ireland, the President of France and the President of Poland and we talked about "Everything!"

- This was in July: "For all of the money we are spending, NASA should NOT be talking about going to the Moon — We did that 50 years ago. They should be focused on the much bigger things we are doing, including Mars (of which the Moon is a part), Defense and Science!"
- Talking about the turn of events in America in 1775, Donald Trump said, in his 4th of July (US independence day) speech: "Our army manned the air, it rammed the ramparts, it took over the airports, it did everything it had to do." When pointed out that there was no air force or airport in 1775, that airplanes were only invented in 1903 (by the Wright brothers), he said: "I guess the rain knocked out the teleprompter."

If more rigour is sought to be introduced in data then are we to understand that the previous health-related data — that told us, for instance that India was in the grips of a diabetes epidemic — was inaccurate?

The entire exercise of conducting surveys is to ensure we get clarity of estimates for any indicator which can be further inferred to achieve clarity about an entire population. Improvement in data quality is an ongoing process and the National Data Quality Forum will guide in achieving a common goal of improved quality of survey and programme data. Currently, the data for any indicator comes from various sources and sometimes the process of conceptualisation, collection, collation differs. Bringing harmony among various datasets is key and one of the major goals of the Forum.

Every day, there is new data, new technologies that emerge. There is a need to have a robust mechanism and with emerging technologies we can take advantage to create one. For example, earlier the only way to measure height and weight of a child was through the weighing machine and stadiometer (height measuring stand). Now using artificial intelligence, we can try to measure the same variables using the actual picture of the child. This does not mean that the earlier measurement results were incorrect, but simply signifies that one can reduce the efforts of frontline workers and make results more accurate.

As you know, a Personal Data Protection (PDP) Bill is to be introduced in Parliament. How will this dataset tie in with the PDP?

The PDP Bill focuses on creating policies and procedures seeking to minimise intrusion into the privacy of an individual caused by collection and usage of their personal data. It is also true that over the years there have been rapid advances in technology — leading to large volumes of data being collected for decision making — to benefit the population through services.

That said, the NDQF is not a platform for generating new data. The forum will bring in new innovations to improve the data quality and in doing so we will be cognizant of ensuring no breach of personal identifiers takes place. Ethical requirements and protecting personal privacy is the bedrock of NDQF while we create a space for better quality data for policy change.

Who will have access to this data? Data is power — and money. How will you monetise this?

The NDQF envisions following a collaborative

approach built on a partnership model to provide solutions on the challenges faced by both data producers and consumers. As stated previously, NDQF does not aim to collect any new data, but initiate a concerted effort, bringing together key stakeholders to create a common data model approach leading to a one stop data repository for health and other domains of datasets in India. New technologies and innovations will be shared with all stakeholders. The new innovations will be introduced as a pilot in one — two districts to check feasibility. If results are positive, then these solutions can be shared for potential funding under the Corporate Social Responsibility (CSR) bodies and scaled up for a wider implementation and change. We envision working with the young bright minds of India, to share solutions to the data challenges we have, and lead the pathway for change.



DR BALRAM BHARGAVA  
Director General, ICMR

**There are many commercial entities like the pharma industry and medical device manufacturers for whom this data will be a gold mine. Do you agree?**

The point of the NDQF is to improve data quality and policy for India so we as a nation surge towards meeting the outline Sustainable Development goals (SDGs) taking everyone along. The goal of the forum is to create an evidence based ecosystem to promote health and wellbeing. Pillar 4 of the ICMR Strategic Agenda 2030 talks about enabling evidence to policy action by closing the knowledge to policy gap. We expect the forum to build capacities of all stakeholders, and not a limited set to drive this evidence-based ecosystem to develop a standard policy for data quality assessment by various governmental and intergovernmental bodies to generate a dialogue in relevant policy spheres.

However perfect or imperfect, India's data collection agencies collect masses of data but it lives in silos and one set of data doesn't talk to another. How will your initiative change that?

Often, there are multiple sources of data for the same indicator and the results do not match. This is mainly because they differ in purpose and design, resulting in different physical formats and logical organisation. However, it is confusing to the data consumers/users to understand which data source to consider for specific indicators. Through this initiative we plan to develop a Common Data Model, which will standardise different data sources into a common format, thus helping cross comparison between various data sources and improve its utilisation.

Coming soon, India's first garbage cafe

In a bid to provide a full meal to ragpickers and homeless, Chattisgarh's Ambikapur is all set to open a cafe that's asking them to come with plastic waste and in return get free food, writes R Krishna Das

Papa, why don't you follow the model of London Rubbish Café?" Kamayani exclaimed. Her father, Manoj Singh, thought this would be the perfect idea to give Chhattisgarh's Ambikapur city an unmistakable identity in the country. The theme of swapping plastic waste for food deeply influenced Singh, who is the Commissioner of Ambikapur Municipal Corporation (AMC).

Kamayani, who has cleared class XII this year, helped him with the business model. Without further ado, the project to set up India's first Garbage Café in the city that houses a population of about 200,000 was finalised. The plan will help ragpickers and the homeless to get a full meal in return for collecting a kilogram of plastic waste; and snacks with tea for half a kilogram from the proposed Café.

"My child conceived the plan that I presented it before the Mayor (Dr Ajay Tirkey)," Singh says. Dr Tirkey approved it without reservation and included it in the agenda of the general body meeting of the AMC held last week. The proposal was passed unanimously. The corporation has made a provision of ₹5,50,000 from its own resources to begin with and will arrange further funds as required.

The AMC aims to target two issues in one go — getting rid of plastic waste and providing food to the needy. About 100 ragpickers and homeless people have been identified in the town, about 450 kms from the Chhattisgarh capital, for the job. The concept addresses their concern of food security.

Singh says they will watch the response to the project for a month. "If it succeeds, it will be expanded accordingly," he says. The authorities are in touch with small private hotel owners to open sub-centres across the city. "The sub centres will help the beneficiaries to cover shortest distance," he adds.

The Café was scheduled to start from August 1. Singh says it will be delayed slightly and is likely to start operations from August 15. "Initially, we planned to start the project from a small centre; without much fanfare," he adds. After the idea of the Café was noticed and picked up by the national media, they thought of giving the project a new look and launching it in a big way. The new centre, comparatively bigger, is being developed.

Under the plan, beneficiaries coming with the plastic waste will be provided a coupon that will provide meal or snack. "The menu consists rice, dal, one vegetable curry, papad and pickle," Singh says. The snacks include either *samosa*, *poha* or *bhajiya* with *jalebi* and tea.

The proposed Garbage Café will be another leap forward in the cleanliness drive of Ambikapur, the divisional headquarters of coal-rich Sarguja region. The town has created a niche with the green warriors (as the women group is known).

Clad in green-orange saris and masks, caps, gloves and shoes, these women trudging down the streets with rickshaws painted green and red have begun to represent an inimitable identity. Besides making money out of garbage, they have set a precedent in the Swachh Bharat campaign by making the town waste free.

Under the Central government's Swachh Survekshan 2019 rankings, Ambikapur was declared India's second cleanest city, following Indore in Madhya Pradesh, jumping 15 places from last year. The Solid Liquid Resource Management (SLRM) method, adopted in the state for the first time, has made the difference in solving the problem of urban waste.

The then district collector, Ritu Sain took the initiative while chairing a review meeting



Ambikapur was declared India's second cleanest city after Indore in Madhya Pradesh. A major credit for the same is given to the solid waste management project adopted by the municipal corporation with the help of women self help groups

on February 22, 2015. The local civic body officials demanded 20 acres of land for dumping garbage. Sain suggested instead of dumping the garbage, they should develop a mechanism for managing it.

The entire administration plunged into action, and the journey began. Inspired by an episode from the TV show *Satyamev Jayate* and C Srinivasan of India Green Service, the project started within a month with training and capacity building of women self help groups (SHGs). About 1,000 women were trained of which 610 members were selected.

Most of the women belonged to the economically weaker section; a good number of them were widow and divorcees. The 444-member team of women now working in the streets of 48 wards in the city is converting the waste as resource. The job starts early in the morning. Each group comprising 10 members

covers about 300 houses, collects the source segregated waste at door-step every day and deposit them at their respective SLRM center. The work of collection is completed by noon. The organic waste is turned into compost while the inorganic waste is further segregate into 158 categories after cleaning (if required). The city now does not have a dumping area.

While the women's drive has gained national acclaim, it has cast a shadow over the success of Garbage Café. "Since the women groups are collecting waste from doorstep and city is free from the dumps, from where will the plastic waste come from?" senior councillor from the opposition BJP, Madhusudan Shukla says. And even if the ragpickers collect the waste, they would prefer to sell it to scrap dealers. For, cash is more preferable than food for them. But till then, the Garbage Café is getting ready to open.



# Behind the FaceApp magic

New questions arise about privacy breaches, data misuse

The latest app to take social media by storm raises new questions about privacy breaches, data misuse, and the commercial monetisation of social media. FaceApp has a tiny team of 12 people based in St Petersburg. It uses artificial intelligence (AI) to morph portraits. Users upload digital portraits to a cloud, where these are processed to create likenesses of themselves as they will look (or looked) a decade or two later (or earlier). FaceApp also “gender-switches” portraits, and facial expressions, on request.

It is an intriguing business. The AI must not only apply facial recognition techniques to “recognise” faces; it has to guess how ageing, “youth-ing” and gender-

switching could lead to alterations in facial appearance. It must distinguish between happy, sad, and pensive faces. This places it at the cutting edge of face-recognition technology.

In behavioural terms, it has hit a sweet spot. FaceApp is one of the most popular downloads with at least 100 million users. It appears that a lot of people want to know what they will look like a few decades down the line. Many also wish to wallow in nostalgia and look at morphed pictures of themselves as children and quite a few are curious about gender-switching appearances.

This may seem like a harmless, if narcissistic, pastime. However, before FaceApp

can apply its magic, it needs portraits to be uploaded by users. Those portraits are associated with other data, like mobile numbers, device models, user-names, locations, birth years, and so on.

The app has a “freemium” subscription model. It claims that 99 per cent of its revenue comes from premium user subscriptions even though only about 1 per cent of users pay to use the service. Every paid subscriber yields some more sensitive data such as credit cards details.

The terms of use are roughly modelled on Instagram, which means that users grant permission for their uploaded shots (including altered versions) to be retained and used by the service provider, permanently, for a broad range of commercial purposes. This permission is royalty-free, and granted by default at the time of installation.

Moreover, there is a boilerplate indemnity protecting the company from being

sued for any loss or injury suffered via the app (such as damaged reputation or embarrassment). The terms of service also mean that users agree, by default, to cover all legal fees for third-party claims against FaceApp arising from their use of the app. It is possible to opt out of these legally restrictive clauses. But that involves reading some very fine print and pro-actively contacting the company within 30 days of installation.

So, FaceApp is sitting on a treasure trove of data given by users. It can easily monetise this. Face-recognition platforms need big data-sets to train algorithms. Every national security agency worth its salt, as well as countless local police forces, is trying to set up efficient facial recognition systems. So the company could simply offer its 100 million-plus portraits to face recognition developers.

Beyond this of course, there is a real fear that the databases could be hacked,

and misused. There are new morphing technologies such as DeepFake, which recombine existing images to create fake new images and malicious videos, which are not easily distinguishable from the authentic. The scope for misuse of such a database is horrifyingly large.

FaceApp's Russian founder, Yaroslav Goncharov, says that it retains only specific pictures uploaded to the cloud for a maximum of 48 hours of processing. Goncharov also says that FaceApp is reviewing its terms of service to soften the legal implications and offer more user-privacy.

Given the success of this app, other face-morphing systems will surely be on offer soon. Users would be well-advised to read the fine print in terms of service with care. This is especially so, in India, which has no specific privacy law. If you are being offered something for free on social media, the chances are payment is being extracted in hidden ways.

# Why the Wage Code is inadequate

It contains numerous positive elements, such as introduction of a statutory national floor-level minimum wage for the first time in India, but it has missed an opportunity to do more

K R SHYAM SUNDAR

The National Democratic Alliance (NDA) government during its first stint (2014-19) took a bold decision to rationalise the numerous labour laws into four codes, of which the Code on Wages was one. The Wage Code, which replaces four laws — the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976 — was first placed in Parliament in August 2017. It was referred to the Parliamentary Standing Committee, which submitted its report on December 18, 2018. The NDA returned to power with a massive electoral mandate in May 2019 and promptly tabled the Wage Code — revised in the light of recommendations made by the Parliamentary Standing Committee — in Parliament on July 23, 2019.

The Wage Code contains numerous positives, such as universal minimum wages and a statutory national floor-level minimum wage, both for the first time in the history of labour legislation in India, among other things. But law-makers have missed an opportunity to do more, and could have avoided several costly mistakes.

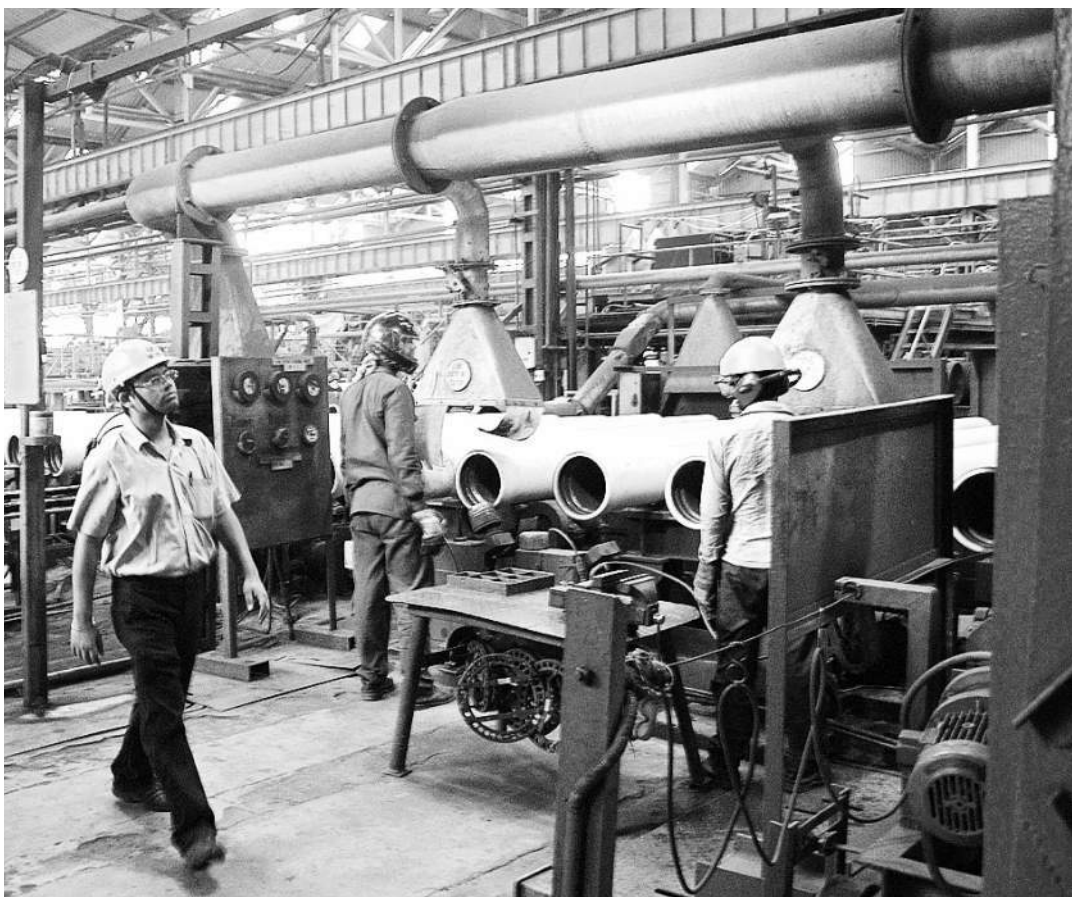
The Preamble of the Code should state the substantive aims of the Code, such as preventing gender-based discrimination, extending universal minimum wages, and so on, rather than stating that it is to “amend [and] consolidate the laws relating to wages bonus and matters connected...”, which is a procedural act.

The late Prof T S Papola, using National Sample Survey data for 1999-2000, had estimated that the Minimum Wages Act, which provides for coverage of workers in scheduled employments, covered 38.1 per cent of total workers, and even with this restrictive coverage, effective implementation of this law was extremely poor, to put it mildly. Now, the Code claims that it covers all workers in the organised and unorganised sectors (which should include agriculture also) and this would mean coverage of at least 450 million workers (excluding government employment from the 461.4 million workers estimated for 2017-18 by the Periodic Labour Force Survey).

By the way, unlike the existing law, the Code does not specifically mention inclusion of agriculture. Does the government have the wherewithal to effectively ensure realisation of minimum wages for all workers? While it does not mean that the government cannot and should not universalise minimum wage entitlement, this ruthless reality should lead to a gradual strengthening of enforcement, to avoid the risk of it degenerating into political rhetoric.

The Code has diluted the provisions relating to gender-based equity in the labour market, contained in the existing Equal Remuneration Act, (ERA) 1976, and missed an opportunity to do more in this regard. Its original draft included only a provision prohibiting gender-based discrimination in wages, and responding to the Parliamentary Standing Committee's recommendation, it has included prohibition of such discrimination in recruitment only in case of similar work. It has left out existing entitlements concerning conditions of service subsequent to recruitment, such as promotions, training and transfers.

Further, the ERA even conceived ways and means of increasing employment opportunities for women by consulting expert advisory committees. To conceive that gender-based discrimination pertains only to earnings and perhaps at the recruitment stage, and to ignore pernicious forms of discrimination and even



The Wage Code will bring down the numerous existing minimum wage rates

deprivation in many aspects of the world of work is to adopt a narrow approach.

By providing for a mandatory national floor-level minimum wage instead of the earlier minimum wage rate, the Wage Code will surely bring down the numerous minimum wage rates that exist currently. It propagates multiple wage rates by stipulating minimum wages at the national, zonal and state levels, and further on the basis of norms like skill (four types), arduousness and hazardous. What is worse, it empowers the government to create more norms and yet expects that the number of minimum wage rates will be kept at a minimum.

**The Code has diluted the provisions relating to gender-based equity in the labour market, contained in the existing Equal Remuneration Act, 1976**

If the objective of minimum wages is to prevent exploitation or poverty alleviation, it should provide not “merely for the bare sustenance of life, but for the preservation of the efficiency of the worker”. In other words, it should provide for some measure of education, medical requirements and amenities as well. Why should there be a hierarchy of multiple min-

imum wage rates based on skills? Regional peculiarities could be tackled by a state-level single minimum wage, plus a universal variable cost of living allowance adjusted quarterly instead of half-yearly.

More important is the debate on the determination of the minimum wage, and the fact that the expert committee's “scientifically arrived at minimum wage”

falls far short of the Seventh Pay Commission's level of ₹18,000. This needs urgent resolution lest labour becomes restive. Further, the existing law stipulates revision of minimum wages “within an interval of any five years”, while the Code requires revision “ordinarily at an interval not exceeding five years”, and the latter may formalise revision only after every five years, if at all it is done religiously by governments.

The Minimum Wages Act allows representation on behalf of minimum wage-deprived workers by a legal practitioner, any authorised office-bearer of a trade union, an inspector, or any authorised person chosen by the Authority concerned, which empowers the affected workers considerably. But the Code restricts representation to the trade union of which the affected workers are members, and the inspector. Given low and declining rates of unionisation, this will hurt workers.

Finally, the role envisaged for the curiously titled “inspector-cum-facilitator” is quite limited, as the fundamental “power of entry at any time (or even reasonable hours), any frequency and unattended one” has been removed in the Code, which violates International Labour Organisation norms on this. The inspection system needs reform to remove harassment and corruption, but the Code is making inspectors powerless “visitors”.

In short, the Code aims very high but is inadequate in vital respects, which may even militate against the realisation of its grand promise.

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RAJAN S MATHEWS

The emergence of a dynamic telecom sector that has taken connectivity to the remotest villages with perhaps the lowest tariffs in the world has been one of the key success stories for India in the 21st century. Seamless mobile connections along with robust data have meant that a host of services, including those from the government, are riding the airwaves and making lives better and simpler for every Indian. Uninterrupted telecom services are as critical as power and fuel supplies for India's rapidly expanding economy, which is tipped to touch \$5 trillion in the next few years.

The telecom industry has invested over ₹10.44 trillion over the years to take mobile services to every Indian at rock-bottom tariffs. The same industry that has emerged as the backbone for several other sectors, including start-ups, is now struggling to stay afloat, due to multiple challenges. The combination of high levies, double taxation and rising debt has meant that telecom is now under tremendous financial stress with doubts arising over its viability and sustainability. Even as tariffs have continued to head southwards, the need for regular and sizeable investments for upkeep of the network and telecom infrastructure has meant that debt on the books of telecom operators has risen nearly 10-fold, from a mere ₹0.8 trillion in FY2009 to ₹7.7 trillion in FY18.

The telecom industry is seeking favourable regulatory initiatives and policy reforms that will help revive it. The once thriving sector, which provided jobs and brought returns to all stakeholders, is now in a dismal state. It is in dire need of an efficient blueprint for growth, minus uncertainties, multiple cascading taxation and various anomalies, so that it regains its past glory. The industry is looking to adopt a growth framework that takes into account recommendations made by the regulator and negates the reasons for the current financial distress. It is crucial for policymakers to devise effective strategies that can alleviate the industry's woes, including provision of incentives on the lines of concessions for other sectors.

The return on investment of the private sector has also plummeted from a healthy 14 per cent to a meagre one to two per cent. While falling tariffs are benefiting customers, the industry is struggling to make ends meet. In just over 18 months, listed players' market capitalisation plummeted to ₹2.03 trillion on July 23, 2019, from ₹2.59 trillion on December 29, 2017. Ballooning debt has meant that interest payments as a percentage of EBITDA rose to nearly 71 per cent in FY19. The financial stress can be gauged from

the fact that the Reserve Bank of India, leading financial institutions and credit rating agencies have raised a red flag over the sector's viability. In February 2019, Morgan Stanley and Moody's downgraded India's telecom sector.

As a result, the Indian telecom industry, which once comprised more than a dozen established players, is now left with only three large players, courtesy the consolidation that happened over the last one year. Incapacitating hyper-competition leading to significantly squeezed margins, rising debt and falling revenues, is the reason behind the sector's acute financial distress today. Such market dynamics, where a few players dominate, can also leave consumers vulnerable.

Despite such worrying numbers, the telecom sector has continued to contribute to the exchequer in the form of taxes and levies such as licence fees, spectrum usage charges and revenue sharing. In fact, the telecom sector is one of the largest taxpayers, contributing ₹10,000 crore every year to the government treasury, though that too has come under pressure now owing to falling revenues. Telcos, in addition to building a world-class telecom infrastructure, have also spent around ₹76,000 crore in spectrum auctions to transition from 2G to 3G and 4G services. The cumulative payout at spectrum auctions is a whopping ₹3.68 trillion since 2010.

Apart from mammoth investments that went into the successful rollout of the 4G network, duplication of taxes and levies took a further toll on the financial health of telecom players. The Indian telecom sector pays 29-32 per cent in terms of taxes and levies — one of the highest in the world. Chinese companies, on the other hand, pay just 11 per cent. With the commercial rollout of 5G expected to begin by early next year, the requisite spectrum will come at a very high price, further crippling the sector financially.

In light of the challenges, the industry is asking for a practical policy roadmap designed to revitalise the sector and the allied ecosystem. The need of the hour is to take brave decisions, as the government did in 1999, when the sector shifted to a revenue sharing regime. The result was that telecom saw explosive growth and the government ended up earning more revenue than in the fixed licence fee regime. It's time to get the industry back on its feet, so that it can become a major contributor to fulfilling the Digital India vision and building a nation that is digitally and economically robust.

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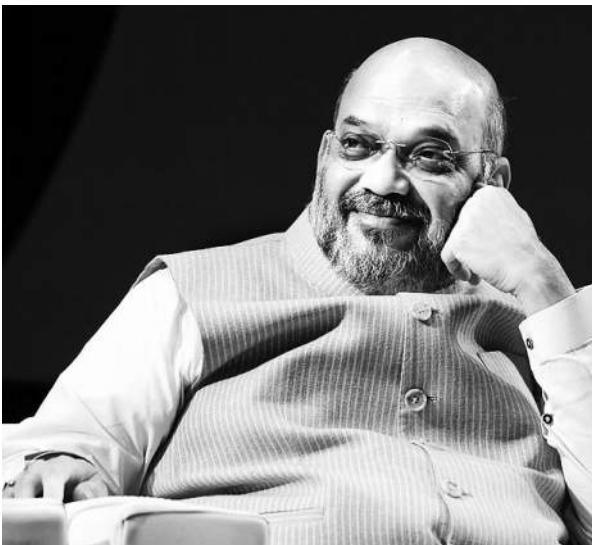
## ▶ OTHER VIEWS

### Latest amendments to NIA Act can be misused

Government has obligations to preserve fundamental rights

The idea of designating an individual as a terrorist, as the latest amendments to the Unlawful Activities (Prevention) Act propose to do, may appear innocuous. However, designating an individual as a terrorist raises serious constitutional questions and has the potential for misuse. However, there is no set procedure for designating an individual a terrorist. The absence of a judicial determination may render the provision vulnerable to invalidation. There ought to be a distinction between an individual and an organisation, as the former enjoys the right to life and liberty. The likely adverse consequences of a terrorist tag may be worse for individuals than for organisations. This makes it vital that individuals have a faster means of redress than groups.

A wrongful designation will cause irreparable damage to a person's reputation, career and livelihood. Union Home Minister Amit Shah's warning that his government would not spare terrorists or their sympathisers, and his reference to “urban Maoists”, are portentous about the possibility of misuse. The provision to empower the head of the National Investigation Agency to approve the forfeiture of property of those involved in terrorism cases obviously overrides a func-



tion of the state government. At present, the approval has to be given by the state police head. This significantly enhances the scope for misuse. While none will question the need for stringent laws that show “zero tolerance” towards terrorism, the government should be mindful of its obligations to preserve fundamental rights while enacting legislation on the subject.

The Hindu, July 26

### Reconsider sovereign bonds

They entail undue risks

According to a Bloomberg report, the Government of India is planning to raise \$10 billion in its first overseas bond sale by October. The decision to resort to this route for raising capital was announced in the Budget earlier this month. There are both pros and cons of using this route to raise capital. The biggest benefit of such bonds is that interest rates in international markets are much lower than domestic markets. Such borrowing also does not lead to the government crowding out the private sector from a finite, and decelerating, pool of domestic savings. The biggest risk is that such borrowings have an in-built unpredictability because of foreign exchange move-

ments. Because the debt has to be repaid in foreign currency out of domestic resources, a depreciation in the Indian rupee vis-à-vis the currency in which the debt is denominated can lead to a spike in domestic debt burden.

It is because of these downside risks that a wide gamut of economists and policymakers, including three former governors of the Reserve Bank of India, has advised against this route to raise investible resources. Therefore, it is necessary that the government engages with these voices and tweaks its policy decision to allay their concerns. It is in our best interests to continue avoiding riskier forms of engagement with the global economy.

Hindustan Times, July 26

### A flawed approach

Andhra Pradesh's divisive precedent

He vowed to bring such a law during his padyatra as an Opposition leader, and now that he is the Andhra Pradesh Chief Minister, YS Jagan Mohan Reddy's government is set to make it mandatory for existing and upcoming industries in the state to ensure 75 per cent jobs for local candidates within three years. In case no suitable candidates are available, employers will have to train and engage locals within three years in collaboration with government agencies. The first-time CM cannot be faulted for his intent — ensuring jobs for the large unemployed workforce, particularly in the rural belt, and living up to his promise. Reservation and imposing such constricting restrictions in an already circumspect

industrial climate, however, can only impede growth, not generate jobs. It is an embarrassing truth for generous state governments that big-ticket projects which are projected as life-altering for locals, whose land is often acquired, only end up providing numbered low-income jobs.

The erroneous economics apart, the divisive concept encourages inter-state, inter-community, inter-racial tensions, discourages merit, and challenges the “one nation” constitutional right. Jobs are at the centre of the debate; state governments have little to offer on their own, so nudge private players, form pragmatic partnerships. Don't bring the system down.

The Tribune, July 26