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● OVER THE BARREL

Reviving investor sentiment

Modi 1.0 moved the needle somewhat towards meeting the necessary conditions for incentivising investment. GST, RERA, the Insolvency and Bankruptcy Act, the improvement in the 'ease of doing business' index, digitisation, etc, were welcomed by the business community. More was expected, but the initiatives were appreciated. Modi 2.0 should now push this needle further

investment. Growth cannot be sustained at the 8% level without reversing the current declining trend in private investment (and exports). This fact has been acknowledged by the Chief Economic Adviser in the Economic Survey, and by the finance minister in her Union Budget speech. Both have stressed the need to revive 'animal spirits' to catalyse the virtuous cycle of investment, jobs, productivity, exports, consumption and growth. Investment is the centrepiece of their growth strategy.

The question, therefore, is what must be done to resuscitate investor sentiment?

At a macro level, the answer is clear. Investors look for macroeconomic stability and a supportive regulatory and policy environment.

They are incentivised to invest when inflation is under control; the fiscal deficit is within prudential limits and the external account is broadly in balance. They want connected and efficient infrastructure, and the easing of supply-side 'factor market' constraints. This means expeditious processes for land acquisition, flexible and unshackled labour policy, and deepened capital markets unlogged from the choke of non-performing assets (NPAs). They also want competitive tax rates, simplified procedures, and transparent and fair mechanisms for dispute resolution. These are well-known and frequently-articulated necessary demands.

The issue is whether these are sufficient? Is this all that is required to spur investment? I am not so sure. I believe there is a subtler condition that also needs to be met. The corporate leader must believe that promise will indeed convert to performance. His subjective preference is a non-quantifiable but important driver of investment decisions.

I was involved with a large multinational for many years. What struck me was that investment decisions were often driven by personal perceptions.

The investment proposals were, of course, subject to rigorous economic and geopolitical analysis. Empirical data was gathered on the market, competition, costs, prices and regulations. Scenarios were built to capture the consequences of the unexpected. Sensitivity analysis was carried out to define the range of possible outcomes. But when the analysis was finally presented for a decision, the discussion often focused on the intangibles of geopolitical, bureaucratic and regulatory risk. And the decision was often driven by the leadership's perceptions of these risks than by the hard numbers presented to them.

I was at the helm of the company at a time when China was the flavour of the international investor community. I found myself continually battling perception. People knew more about India than China. But what they 'knew' about India was mostly negative. Their perception was it was tangled in an undergrowth of red tape, bureaucratic encumbrance and regulatory uncertainty. On the other hand, what they knew about China was positive, albeit limited. They did not understand the investment environment. They did not speak the language; and Chinese culture was an enigma. But they 'knew' that China offered a huge market with massive potential. This perception (and, of course, reality) was an important determinant of the final decision. India also offered a large market and potential, but unfortunately perception militated against a positive decision. On at least two occasions, an investment proposal for India was turned down in favour of a project in China even though the projects were similar and the earning power of the former was higher than that of the latter. The reason was the subjective preconditions of the corporate leaders.

The UPA-2 will be remembered for the ignominy of corporate scandals. The telecom and coal scandals showed up the nexus between corrupt politicians and opportunistic businessmen. It was crony capitalism at its worst. The banking crisis has its genesis in this nexus. Modi 1.0 broke this nexus decisively. It ended what Raghuram Rajan has referred to as "relationship-based capitalism," in which the 'quid' of corporate 'hospitality' was exchanged for the 'quo' of 'political favours'. It redefined the nature of engagement between the government and business. Today, few, if any, corporate houses can be confident of extracting favours from the political leadership.

Modi 2.0 should carry forward this reset in the terms of engagement. It runs no risk in forging a collaborative relationship with business. Whereas there might have been a public backlash had it sought such a relationship in the aftermath of the scandals that shook the UPA government.

Modi 1.0 moved the needle somewhat towards meeting the necessary conditions for incentivising investment. GST, RERA, the Insolvency and Bankruptcy Act, and the improvement in the 'ease of doing business' index, digitisation, etc, were welcomed by the business community. More was expected, but the initiatives were appreciated. Modi 2.0 should now push this needle further.

Business and government occupy different spaces. But they have interlocking interests. The walls separating the two should, therefore, be perforated. The finance minister has called for such a perforation. She made explicit in her Budget speech the government's interest in bringing private industry into a partnership relationship with it. She should follow that up with the assurances that the government does not regard every businessman as a tax dodger; or every business as bent on gaming the system. That, instead, it wants to build a relationship based on mutuality of interest and trust.

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Correction of India's capital markets more close to medium-term fundamentals may be treated as a healthy sign

EFFICIENT CAPITAL MARKETS Kick-starting the investment cycle

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AN INNOVATIVE INITIATIVE proposed in the Union Budget 2019-20 relates to the minimum public shareholding (MPS) of listed companies, which would increase from the current level of 25% to 35%, going forward. The time frame for the same is not specified. Going by past experience, India took about eight years to achieve 25% MPS in listed companies, and many PSUs are yet to reach the stipulated MPS. Hence, raising it to 35% may take at least five years from now, unless the government, in consultation with SEBI, issues a whip to achieve it as early as possible.

After the global financial crisis, both Dow Jones Industrial Average and BSE Sensex were hovering at 8,000-9,000 points (December 2008). While the former crossed 27,000 by early July 2019, BSE Sensex surpassed the 40,000 mark before the Budget. It would be unwise to believe that India's macroeconomic fundamentals are more stable than those of the US in the medium term. India's capital markets story points towards excessive speculative activities. This has been possible mainly due to too much money chasing too few floating stocks. Widening of MPS, proposed in the last Budget, is therefore considered a decision in the right direction.

This initiative would not only curb excessive speculative activities, but also channelise household savings towards capital markets in a big way. Moreover, volatility in the Indian stock market may decline due to availability of large floating stocks. When the government is committed to widen the floating stocks, there is little scope for large buybacks of equities. In this context, the government's decision to tax buybacks of shares of a listed company at 20%, similar to those of unlisted companies, is a welcome step. The pressure of the corporate sector to waive tax on buybacks of equity shares of listed company, if entertained, may defeat the very purpose of widening MPS.

As of now, corporate houses are deleveraging to resolve their balance sheet problem. In fact, they are not in a position to honour their commitments on loan repayments/servicing of debt securities. How can they finance buyback of equities in such a situation? Would it create artificial scarcity of floating stocks and jack up equity prices, leading to speculative bubble? So, buybacks of equity shares of listed companies should not be encouraged, let alone waiving of tax on buybacks.

Price discovery may be efficient if equities are widely held, instead of in the hands of a few stakeholders. Moreover, concentration of shares in the hands of a few encourages governance malpractices, including insider trading, which is rampant in India despite stringent SEBI regulations.

India's equity markets reacted adversely in response to Budget proposals, despite positives like withdrawal of 24% limit on FPIs, merger of NRI investment with FPIs within sectoral limits, development of secondary market in AAA-rated corporate bonds, social stock exchange, etc. Besides hike in MPS, FIIs investing in India as trusts/association of persons were affected due to hike in surcharge on the super-rich—annual income of individual/trust exceeding ₹2 crore.

Currently, about 40% of FIIs are operating as trusts in India. Since FIIs have the option to convert into corporate entities to avoid payment of surcharges, income tax laws need not be revised for them. The government may have to take a call on one-time transfer of shares from trust to corporate floated by FIIs. This will clean up non-transparent and unhealthy practices followed by FIIs to access India's capital markets. Immediate reactions of India's equity markets to Budget proposals need to be seen in the context of speculative positions that might have built up after the landslide victory of the incumbent government in the elections.

Given the twin balance sheet problem, sluggish growth in private investment and poor performance of export sector due to global headwinds, correction of India's capital markets closer to medium-term fundamentals may be treated as a healthy sign—from the point of view of medium-term consolidation of capital markets. Moreover, price discovery based on fundamentals of the economy can encourage fresh equity investments and revive animal spirits amongst entrepreneurs. An efficient capital market may, therefore, kick-start the much-needed virtuous investment cycle in India.

ENVIRONMENTAL ISSUES HAVE been increasingly disturbed because of global business practices, as also due to social issues and problems in handling waste. Environmental concerns are weakening developing countries and they cannot be ignored any more. Several examples show direct connection between growth and environmental degradation: China logged over 75 million hectares of forests in the last decades of the past century. Expectedly, in 1997, severe drought caused by the drying of the Yellow River affected people and industries in northern China. The following year, flash floods in the Yangtze River caused damages worth \$30 billion. The Chinese government concluded that deforestation was behind these events, and it has banned logging.

Some nations prohibit import of goods that cause ecological damage. For example, the US has banned the import of shrimp harvested without the 'turtle excluder device', because of its concern for endangered sea turtles. In 1994, the WTO intervened to address concerns regarding the import of shrimps and its impact on turtles—known as the Shrimp and Turtle case. The ruling was adopted on November 6, 1998. However, Malaysia persisted in their complaint and initiated DSU Article 21.5 proceedings against the US in 2001, but the US prevailed in those hearings.

Developing countries are affected by the relocation of polluting industries from developed areas. Also, many products that

Making trade work for environment

We must not compromise on environmental quality in international trade

VIDYA HATTANGADI

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are banned in developed nations are marketed in the underdeveloped world. Environmental integrity is crucial for a developing nation such as India and must be guarded under all circumstances. In the last couple of years, acute water shortage has forced some companies to shut down. Incidences of droughts and floods have also caused incalculable financial losses. Over 2,000 Himalayan glaciers have reportedly melted in the past few decades, causing floods and climatic changes.

The dumping of nuclear and hazardous waste in developing countries and the shifting of polluting industries to developing countries impose heavy social costs. In August 2006, cargo ship *Probo Koala*

discharged 500 tonnes of toxic waste in Abidjan, West Africa, killing 17 people and poisoning thousands. In 1988, thousands of barrels of hazardous waste disguised as building material was discovered in the village of Koko in Nigeria. Several barrels were unsealed, causing leakage and serious health effects to residents. Exploitation of natural resources of developing countries to satisfy global demand causes ecological problems. African nations have long been at the centre of such incidents.

When MNCs exploit underdeveloped countries by using polluting technologies, they must be severely punished. When we don't care for the environment, it destroys the mankind and living beings unbeliev-



ably. Environmental CSR aims to reduce damaging effects of business processes. CSR activities focus on energy use, water use, waste management, recycling, emissions, etc. At times, developed nations raise environmental issues as a trade barrier rather than for genuine reasons.

The debate has intensified in recent years on the connection between trade and environment, and the role of the WTO can play is important in promoting environmental-friendly trade. Those who have raised a roar of environmental issues at the WTO have a valid reason because of circumstances where trade and the pursuit of trade liberalisation have had harmful environmental effects. Also, trade can neg-

atively impact environment when property rights in environmental resources are ill-defined or prices do not reflect scarcity.

When the ordinance of NAFTA expansion to Peru was passed in 2007, alert citizens and environmental groups warned that the Peru FTA would incentivise a massive sell-off of the sensitive Peruvian Amazon rainforest to oil & gas companies. Such situations result in the abuse of scarce environmental resources and degradation, which worsens through trade. Some of the pollution can be purely local, such as polluting waterbodies because of chemical waste from local factories, or noise pollution due to factories, etc. Other pollution can have global repercussions; for exam-

ple, excessive emission of greenhouse gases, destruction of rainforests, and so on.

Another fact to consider here is if some countries have low environmental standards, big businesses are likely to shift production of environment-intensive or highly-polluting products to the so-called pollution havens. Worse, trade-induced competitive pressure forces countries to lower their environmental and health standards. Women working in Cambodian factories supplying some of the world's best-known sportswear brands are suffering from repeated mass fainting due to excess heat and pathetic working conditions. Factory owners have not properly invested in safety of work environment and are paying very low wages to the workers. Also, short-term contracts are a root cause of job insecurity; workers cannot refuse overtime, because they are insecure about their contract renewal.

A positive point to note in international trade is that some nations have extremely high quantities of raw materials, which they are unable to use domestically. For example, Australia has the most iron ore reserves in the world, at 35 billion metric tonnes. Venezuela has the largest oil reserves, with 297.6 billion barrels. With freer trade, Australia sells easily its excess iron ore and Venezuela sells oil to other nations, and takes advantage of their material surplus to benefit their economy.

Organisations like Unilever, IKEA, IBM and Adobe have the most comprehensive CSR programmes.

The Indian EXPRESS

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BECAUSE THE TRUTH INVOLVES US ALL

What investors really want



VIKRAM S MEHTA

Modi 2.0 must move the needle towards meeting necessary conditions for incentivising investment

NEW DELHI, OLD LINE

Once again government at Centre sends message to Valley: It alone will decide, give no explanations

WHAT HAS unfolded over the last few days in Kashmir flies in the face of the claims by the NDA government, and Prime Minister Narendra Modi himself, of winning over Kashmir with love, dialogue and good governance. It is the government's responsibility to reassure the people in times of crisis. But on full display since August 2 is exactly the opposite. Through a series of orders, some of them half-denied, and some implemented despite denials — the evacuation of NIT students, for example — the government has contributed to the spread of panic and uncertainty in the Valley and in the minds of other Indians, almost as if this was the intention. Most astonishing of all was the abrupt cancellation of the Amarnath Yatra, citing a terrorist threat emanating from Pakistan, and the swift evacuation of tourists and pilgrims from the Valley. Callously, the order asking them to leave immediately did not address the apprehensions of the people of Kashmir, thus conveying the crude and brute message that the government was not concerned about them, even as they rushed to petrol pumps and ATMs to stock up. Only weeks earlier, officials had been eager to project the situation in the Valley and at the LoC as much improved, with cross-border infiltration having come down drastically. The U-turn may be based on fresh information, and it is true that the Centre must have the room to take decisions for reasons not always in full public view, but calling off the pilgrimage to Amarnath is virtually an admission that the government cannot prevent terrorist attacks. This, despite the security presence in the Valley, and a new and technologically advanced security deployment specially designed for the pilgrimage.

Over the years, the yatra has become synonymous with the Centre's assertion and demonstration of control over Kashmir. But here is a government that sends in more troops to the Valley, but at the same time, sends out the message that even with close to 4,50,000 troops there, it cannot offer security to pilgrims. In the absence of credible information, all manner of rumours — that plans are afoot to trifurcate J&K, or do away with the state's special constitutional status, among others — have spread. The silence of the government and the top echelons of the party has been conspicuous, especially given that its leaders communicate ceaselessly on social media on other matters.

Whatever lies behind the government's decisions of the last few days — whether it is preparation for contentious and polarising constitutional change, or a strategic assertion of statehood in response to the cosy up of the US with Pakistan towards a deal with the Taliban in Afghanistan — the fallout in the Valley cannot be good. That the government has chosen not to offer any explanations even to the leadership of the two main parties, who command a following among Kashmiris in their own right, is a mistake. Showing separatist politicians their place is one thing. But making a show of contempt for mainstream politicians is ill-judged. Any gains New Delhi has made in the past in the Valley have depended heavily on widening the stakes in peace and increasing the number of stakeholders. Now, an unfortunate impression is gaining ground that the Centre is again narrowing and centralising the decision-making process. Without the support of the Kashmiri people, Delhi's disconnect with the Valley can only increase.

CURE IN PROGRESS

New medical authority to replace MCI is welcome. But it will have to connect several dots, learn from past experiences

SEVERAL MEDICAL emergencies in the past five years, including the AES outbreak in Bihar in June, have shone the light on the deficiencies of India's healthcare sector. It's clear that the country lacks quality medical professionals at the panchayat and district levels. Medical research in the country has not kept up with the changing disease burden. Dogged by several controversies in the past 15 years, the internal regulator of the medical profession, the Medical Council of India (MCI), has failed its mandate of "ensuring excellence in medical education". The National Medical Commission (NMC) Bill — passed by the Rajya Sabha last week — that envisages an overhaul of the country's medical education system, therefore, promises to address a critical challenge. However, the 25-member NMC, that will take over the regulation of medical education from the MCI, will need to connect several dots to fulfil its promise.

The government will appoint 20 members of the new regulatory body. This has not gone down well with the Indian Medical Association (IMA). Controversies over the MCI elections and the agency's tarnished record have, no doubt, exposed the frailties of self-governance. But the IMA's fears of further compromise in standards are not unfounded, given that past experience shows that the party in office often rewards its loyalists whenever the government arrogates to itself the task of constituting a body of professionals. The search committee mandated by the Bill to recommend the names of the NMC's non-elected members must, therefore, go strictly by the new agency's credo: "Enforcing high ethical standards in medical services".

Clause 32 of the Bill provides for granting "limited licenses" to 3.5 lakh community health providers (CHPs), who can then operate at the primary healthcare level and prescribe preventive medicines. Given the dearth of MBBS doctors in rural and far-flung areas, this measure could fill a major void in the country's healthcare system. The IMA, however, apprehends that the move would "result in quackery", especially because the Bill does not delineate the qualifications of the CHPs. Past initiatives to integrate CHPs in the healthcare systems of states have produced mixed results, at best. For instance, the Chhattisgarh government's scheme — launched in 2001 — to place such medical practitioners in the state's healthcare system lasted only four years. Courses introduced for CHPs did not get the required traction because the students were reportedly not sure of their career path. Assam has had similar experiences with CHPs. The process of framing rules of the new legislation should, therefore, be attentive to such experiences.

BUSINESS SENTIMENT IS grim. Few corporates have the financial capability to invest; even fewer the desire. The reasons are several but the common thread linking all corporates is a concern about the direction and predictability of the policy and regulatory environment. There is a lack of confidence in the ability of the leadership to convert the political promise of "ease of doing business" into bureaucratic performance. There is a "trust deficit". The government will have to bridge this deficit to realise its economic growth strategy.

The government's objective is to grow the economy to USD5 trillion by 2025. Given that the current size of the economy is USD2.7 trillion, this means it will have to grow at an annualised rate of 8 per cent over the next five years. This is a credible, albeit ambitious, objective. It has been achieved before and there is no fundamental or structural block to securing such a rate again. The twist is investment. Growth cannot be sustained at the 8 per cent level without reversing the current declining trend in private investment (and exports). This fact has been acknowledged by the Chief Economic Adviser in the Economic Survey and by the FM in her budget speech. Both have stressed the need to revive "animal spirits" to catalyse the virtuous cycle of investment, jobs, productivity, exports, consumption and growth. Investment is the centrepiece of their growth strategy.

The question, therefore, is: What must be done to resuscitate investor sentiment? At a macro level, the answer is clear.

Investors look for macroeconomic stability and a supportive regulatory and policy environment. They are incentivised to invest when inflation is under control, the fiscal deficit is within prudential limits and the external account is broadly in balance. They want connected and efficient infrastructure and the easing of supply side "factor market" constraints. This means expeditious processes for land acquisition, flexible and unshackled labour policy and deepened capital markets unlogged from the choke of NPAs. They also want competitive tax rates, simplified procedures and transparent and fair mechanisms for dispute resolution.

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higher than that of the latter. The reason was the subjective predilections of the corporate leaders.

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SURBHI GUPTA

SISTERHOOD OF SURVIVORS

We need more shows that place the experiences of women at their centre

IT'S ALMOST TWO weeks since the second season of *Big Little Lies* came to a close. The disappointment of viewers is pretty well-known. The second season was somewhat tame compared to the first season that opened and ended with a murder. Apart from the stellar cast that includes Oscar-winning actors Nicole Kidman and Reese Witherspoon, what drew attention towards the mini-series was that it had women and children at the centre of the narrative, with the men mostly playing side roles. When I first heard about the show, it seemed like just another story with a murder mystery — perhaps with desperate housewives. But the seven-episode long first season was an essential watch because it threw light on issues we all know of — domestic violence and sexual abuse, school bullies and pregnancy from rape — but rarely talk about.

The disappointment over its plot aside, in its second season, *Big Little Lies* was still a powerful reminder that we need more shows that put the experiences of women at the centre. And they work with audiences, who having crossed over the #MeToo wave, are more aware and sensitive.

The first season, aired in 2017, turned out to be prescient. Just six months later, the Harvey Weinstein scandal brought the hitherto hushed-up reality of sexual abuse and



The show gives a face to different types of mothers — the one who sacrifices her career, the one who doesn't want to, the single mother and the soccer mom. And we aren't asked to judge any of them.

harassment in Hollywood into the open. And there were ripples all over the world, including India. We were witness to the abuse Celeste (played by Kidman) faced at the hands of her husband Perry. In season two, he isn't there and she misses him. There is a poignant scene when the therapist asks Celeste to remember the abuse, and she does so painfully and quietly. The therapist asks her to imagine what if her best friend Madeline (played by Witherspoon) experienced the same trauma. This time, she explodes with rage and fury.

Moments like these make the show telling. It's a chilling exposition of the fact that sexual abuse often comes hand in hand with gaslighting — a phenomenon in which the abuser makes the victim question her own reality. For someone who is on her way out of an abusive relationship, the aftermath can be hard. It is normal to think of the past with a tinge of nostalgia — that comes from a belief that "it couldn't have been that bad".

The show gives a face to different types of mothers — the one who sacrifices her career, the one who doesn't want to, the single mother and the soccer mom. And we aren't asked to judge any of them. Mothers can be competitive, it is natural for them to want the best for their children. We did belittle petty

and rolled our eyes when Madeline snapped at people. But the show is a reminder that we must stop sneering at such "flawed women", and take notice of the friendships they strike. This season was an ode to female solidarity and sisterhood.

The show takes the issue of mothering further with a courtroom drama for the custody of Celeste's twin boys. She was subjected to a witch hunt, when the photographs of her sexual relations with various men, outside the realm of her home, were used to judge her as a mother.

Big Little Lies also has Jane, essayed by Shailene Woodley. In season one, there was an air of mystery to her. She had recently moved to Monterey in California and found herself surrounded by the "rich people's club". Her world revolved around her son Ziggy, who, it was later revealed, was born out of rape.

Woodley's character gives weight to the second season. While cinema has dealt with sexual assault and rape, a conversation between the mother and her eight-year-old son about such violence is still rare. Woodley also translates the hesitation victims of assault face with intimacy in a manner that is touchingly human.

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FREEZE FRAME

EP UNNY



AUGUST 5, 1979, FORTY YEARS AGO

CONG UNITY TALKS
KARNATAKA CHIEF MINISTER Devraj Urs has conveyed to Maharashtra Chief Minister Sharad Pawar that if he is serious to bring about unity among Congressmen in the state, he should step down from his present position. A source said that Pawar might make a statement after the state legislature was prorogued towards the end of the next week. He also said that there was a possibility that unity talks might be resumed after the Bangalore session of the pre-split AICC to be held on August 18. A source said that Vasant Patil and Nasikrao Tirpude, Congress and Prajatantra Congress leaders respectively, had made in abundantly clear

that there could not be any progress in the unity talks unless "Pawar climbs down from power".

IIAS, SIMLA TO STAY
WITHOUT YET GOING into the long-term education policy, the new government is considering immediate steps to change a few decisions of its predecessor. The Indian Institute of Advanced Studies at Simla is likely to stay. The Desai government had decided to wind it up by September 1, following an expert committee's report that the performance of the institute was below expectations. This recommendation was, however, challenged by many scholars who argued that the origi-

nal objectives of the institute — to be like Princeton or the All Souls' College at Oxford — were all right but they had gone awry because of too much governmental control.

IA PLANE CRASHES
AN INDIAN AIRLINES Avro-10 flight coming from Pune to Bombay carrying 41 passengers and four crew members, crashed on a hill at Kiroli village at about 9 pm. (According to UNI, all 45 persons are feared to have been killed). The aircraft was on the radar screen up to 11 miles from Bombay airport. After this, it suddenly vanished. Soon after 9 pm, a truck driver stated to have informed the Mumbai police in Thane district about the crash.

The roots of sexual brutality

In India, it is the quintessential form of political privilege and social authority



V. GEETHA

As the young woman from Unnao, victim of multiple outrages, battles for her life, we, who are often reduced to being hapless chroniclers, have once again to wonder at the everyday workings of India's criminal justice system. Though several rounds of police and judicial reforms have sought to improve its workings, and humanise its approach, the fact remains that at the level of the police thana, other factors direct police action. Local political power; economic, social and sexual tensions between individuals; caste and community equations; habitual misogyny; and the measure of impunity that a perpetrator of crime might claim and exercise all shape not only police responses but those of the civilian government as well, including of doctors, revenue officers and those in the local Collectorate.

As those of us who have worked on issues of sexual assault since the late 1970s know, a complainant is most likely to be disbelieved, blamed for what happened to her, and denigrated and rubbished if she is a Dalit or Adivasi, or from a community perceived as marginal. If she persists in keeping with the justice system, its menacing indifference is calculated to demoralise her. If her family supports her, there might be some relief and care, but if they don't or cannot because they are themselves under pressure to keep quiet, she is left feeling abandoned and friendless and, worse, tainted. Many a time, a protest or a campaign, or the continued presence of women's groups, Dalit groups and progressive political and civil rights interventions alone have made it possible for even an FIR to be registered.

Civic indifference

With respect to the Unnao incident, notwithstanding the fact that the families of the alleged perpetrators and victim are known to each other, and from the same caste, the sequence of events has not been essentially different. For fear of the alleged



"Multiple and entangled wrongs as unfolded in Unnao do not appear as such to those who commit them." A solidarity rally for the Unnao rape victim in front of India Gate in New Delhi on July 29, 2019. *AFP

perpetrator, an MLA belonging to the Bharatiya Janata Party, the police did the bare minimum that was required of them. It was only after the victim, who had been persistent in her quest for justice, threatened self-immolation in front of Uttar Pradesh Chief Minister Yogi Adityanath's office did the wheels of justice begin to move somewhat decisively.

What stands out even in this familiar landscape of crime is civic indifference to sexual violence. It is as if such violence is expected in situations where a supplicant approaches a man in power, and is made to wait upon or transact his ostensible largesse. We were witness to a similar and equally outrageous act in Banda, in Uttar Pradesh, in 2010, when a minor girl accused sitting Bahujan Samaj Party MLA Purushottam Dwivedi of rape. Her family had approached him for assistance and protection, since there had been an attempt to kidnap and sell the girl, with the collusion of the local police. Unlike in the Unnao instance, though, Mayawati, who was Chief Minister, called for the prosecution of her MLA. It is noteworthy that the victim had the

support of the country's only rural women's news network, *Khabar Lahariya*, which has been long active in the region.

An ornamental document

The violently transactional nature of sexual assault in these circumstances bears looking at in some detail. A woman approaches an elected representative of the people for assistance, exercising her right to state redressal and assistance. She realises very soon that her claims are not transactable in a civic sense, but only in a violently sexual sense. In the event, not only is her bodily integrity violated, but also a series of constitutionally guaranteed rights, including the right to life and livelihood. And by those who have taken an oath in the name of the Constitution!

However, these crimes are not viewed in these terms. The Constitution is seldom viewed as enunciating shared civic values and morality. Rather, it exists as a formal and ornamental document that affirms not so much our sovereign democratic selves, but the privileges we have gained as elected representatives. Se-

cond, multiple and entangled wrongs as unfolded in Unnao and Banda and indeed elsewhere do not appear as such to those who commit them.

For one, they are validated in any number of ways, first by the family, and next by kin and caste networks. Kuldeep Singh Sengar's brother and henchmen were fully behind his various reportedly criminal acts. More important, whatever their personal feelings, Sengar and Dwivedi's spouses felt honour-bound to insist that their husbands could never have done what they ostensibly did. For to admit that their spouses are capable of such acts of crime would be tantamount to conjugal infidelity, and a denunciation of the caste family. Female complicity in these instances helps secure male authority as given and 'natural', thus placing it beyond the pale of questioning.

In any case, even if spouses do not actively endorse their husbands' crimes, the perpetrators suffer no pang of conscience. After all, both within the family and without, a powerful man's right to a woman's body appears a natural extension of his maleness: marital rape is not an issue, for one, and male sexual entitlement is something that women are expected to reckon with. If they don't, that is entirely their problem, as has been made clear with respect to a slew of #MeToo allegations.

Survival of caste society

Further, such entitlement and power are affirmed by their constitutive context, which is caste society. Birth-based superiority, illegitimate as it is, cannot be sustained, unless it is renewed day in and day out through a combination of patent lies and brute force. Verbal and physical acts of sexualised humiliation and violence directed at the lower castes and Dalits are necessary for the survival of caste society and increasingly so, in the face of challenges and resistance. In the Unnao instance, and in other such instances, sexual brutality is thus not an afterthought: it is the quintessential form of political privilege and social authority in our social context. Our criminal justice system is yet to reckon with such routinised and habitual criminality, for it is never quite registered as such.

V. Geetha is a feminist historian and writer

FROM THE READERS' EDITOR

Fair and participative journalism needs resources

High-quality journalism does not come free of cost



A.S. PANNEERSELVAN

Following *The Hindu's* Open House in Kochi, many wrote to us seeking more details about the increased space for contributions from readers. Some raised a few questions about the idea of an interactive readers' mail, which will deal with local and civic issues.

R. Sivakumar from Chennai suggested that the 'Letters to the Editor' section on the editorial page should allow more space for letters. Jayaprakash Reddy from Nalgonda wrote: "It is most gratifying that the Editor has given his approval to start edition-centric letters to deal with local and civic issues. But whether this is confined only to the Kochi edition is not clear. I request the Editor to clarify this. There was a local letters column in the Hyderabad edition long ago, but it was stopped after a few months due to reasons better known to the Resident Editor." S. Malathi from Bengaluru asked to extend the scope of the readers' mail section to include social and political issues too.

Clarifications

To clarify, readers' responses to local and civic issues will not be confined to the Kochi edition alone. The Editor is keen to have a dedicated weekly section of readers' letters in all editions. Two, the 'Letters to the Editor' section is common for all the editions across the country and some additional letters that cannot be accommodated in print are published online. Given the fact that space is premium in a newspaper, there is little scope for allotting more space on the editorial page for letters. Three, the scope of the readers' mail section cannot be extended to social and political issues in a blanket manner due to a range of reasons. While the newspaper may welcome comments on social and political issues, it is also acutely aware of the need for a rigorous verification process. We need to remember what distinguishes journalism from different individual initiatives such as blogs. The authors of *The Elements of Journalism*, Bill Kovach and Tom Rosenstiel, have come with a fine distinction: "In the end, the discipline of verification is what separates journalism from entertainment, propaganda, fiction, or art."

It is heartening to note the growing interest among readers about the economics of news production and the cost of journalism. Chidambaram Kudiarasu from Thoothukudi wrote: "At a time when the previous revenue model of advertising money is getting fragmented across platforms, readers should not grudge a few bucks more for high-quality journalism and balk at pay walls." Rajiv Lochan felt that my claim that the revenue model for news publications was led by advertising for a century was not correct. He argued that till the market leader started the undesirable price war in 1990-91, the revenue model of the newspaper industry was reader-led, which covered operating expenses. He wrote: "Ad revenue was the surplus that would be reinvested in the business, paid out to employees and dividend out to shareholders. To claim that for a century the revenue model was led by ads is both misleading and incorrect."

The role of advertising

Mr. Lochan's argument is partially true. In the pre-liberalisation era, there was better balance between reader-led revenue and earnings from advertisers. It is also true that the circulation figures before 1990 were substantially low, which meant a limited operational cost. The transformation of the Indian media led to growth and proliferation. Every new platform - from privately owned TV channels to FM radio stations - expanded the market during this phase and advertising became the bedrock of financial sustainability of the news media industry. In his working paper, "A magic square? Print Publics, Consumption and Advertising in Modern Tamil Nadu", historian A.R. Venkatachalapathy observed how advertisements were critical inputs in the widening world of journalism. He cited the doyen of Tamil journalism, T.S. Chockalingam, to establish this point. Chockalingam wrote: "Without advertising revenue journalism simply cannot function".

Chockalingam's essay also explained the role of advertising in keeping the cover price considerably lower than the actual production cost. Mr. Venkatachalapathy's footnotes clearly indicate that Chockalingam made this observation as early as in 1943. Robin Jeffrey's path-breaking book, *India's Newspaper Revolution*, also confirms the role of advertising in the spread of the newspaper beyond the metropolitan centres.

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Rajasthan's effort to criminalise mob lynching is a good start

The Bill goes beyond just codifying SC directives

ANMOLAM & FARHEEN AHMAD

In furtherance of the recommendations made by the apex court in *Tehseen S. Poonawalla v. Union of India*, the Rajasthan government has introduced the Rajasthan Protection From Lynching Bill, 2019. If it gets passed, Rajasthan will be the second State after Manipur to have a dedicated law criminalising mob lynching as a special offence, in addition to other offences under the Indian Penal Code.

The Bill follows the Supreme Court's recommendations in authorising the setting up of special courts, appointment of a dedicated nodal officer, and stipulating enhanced punishments. However, its scope is more comprehensive as it not only criminalises acts of lynching, dissemination of 'offensive material' and fostering of a 'hostile environment', but also provides for relief, legal aid, compensation and rehabilitation.

Broad definition

The Bill defines lynching as an act or series of acts of violence or aiding, abetting or attempting an act of violence, whether spontaneous or planned, by a mob (two or more persons) on the grounds of religion, race, caste, sex, place of birth, language, dietary practices, sexual orientation, political affiliation and ethnicity. Though wide-ranging in content, the document does not cover cases of solitary offences. Noticeably, the Bill says that police officers and district magistrates have to take measures to prevent lynching and related offences. However, unlike the law on mob lynching in Manipur, it does not prescribe any punishment for dereliction of duty.

Further, some of the Bill's provisions might attract legal scrutiny. Section 8(c) of the Bill says that whoever commits an act of lynching, where the act leads to the death of the victim, shall be punished with rigorous imprisonment for life and a fine not be less than ₹1,00,000 and

which may extend to ₹5,00,000. As regards sentencing, this provision completely deprives the judiciary of any amount of discretion.

Taking away judicial discretion

It needs to be stated that a court needs to consider all the facts and circumstances, different for each crime, while making a decision on punishment. The Supreme Court, while declaring Section 303 of the IPC unconstitutional in *Mithu Singh v. State of Punjab*, held that "the exercise of judicial discretion on well-recognised principles is, in the final analysis, the safest possible safeguard for the accused. The legislature cannot make relevant circumstances irrelevant, deprive the courts of their legitimate jurisdiction to exercise their discretion".

Section 9 of the Rajasthan Bill stipulates, *inter alia*, the same punishment for lynching and "attempting" an act of lynching. In the context of criminal law and sentencing, the principle of proportionality mandates an adequate balance of the gravity of the crime, the interests of the victim and of society, and the purposes of criminal law. The constitutional courts have time and again applied the principle of proportionality and have struck down laws that are excessively harsh or disproportionate.

Lynching is an egregious manifestation of prejudice, intolerance, and contempt towards the rule of law. With all its limitations, the Rajasthan Bill is evidence of political will by the State government. It is expected that deliberations help in the enactment of a more constitutionally robust Bill. However, legislation cannot act as a panacea; what is required is political commitment. It is high time that the other States and the Centre show some urgency so that creeping threats are prevented from metastasising into an out-of-control monster.

Anmolam is a lawyer, running BDAAAW, a non-profit organisation; Farheen Ahmad is a research scholar at the South Asian University, New Delhi



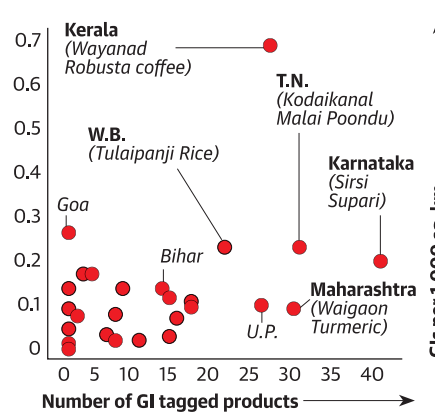
DATA POINT

Making a mark

Odisha recently got a Geographical Indications (GI) tag for its variant of the rasagola. A GI tag is given to products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. There are 347 GI-tagged products across the country. By Varun B. Krishnan

Geographical spread

Karnataka has the highest number of GI-tagged products. However, when geographical area is factored in, Kerala has the highest. Products GI-tagged to multiple locations were omitted. The graph shows the recent GI-tagged items of some States

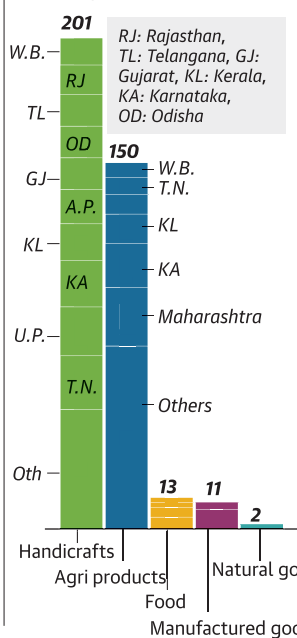


What's special? A text analysis of the names of GI-tagged products shows that over 30 types of sarees and fabrics have been given the tag (the highest), with specialised craft items figuring second

Odisha's rasagola comes under the food category which includes other famous items such as the Tirupathi laddu, Hyderabad haleem, Dharwad pedha and Bikaneri bhujia

Category split

While Tamil Nadu has the highest no. of handicraft GIs, Maharashtra leads in the no. of GI-tagged agricultural products. The graph shows the number of GI tags across categories & States



A few tags

- Kancheepuram silk (Tamil Nadu)
- Channapatna toys (Karnataka)
- Alphonso mango (Maharashtra)
- Aranmula mirror (Kerala)
- Darjeeling tea (West Bengal)

A HUNDRED YEARS AGO AUGUST 5, 1919.

India in the British Parliament.

Replying to Lord Wolmer in the Commons [in London], Mr. Montagu stated that he had received to-day [July 31] only newspaper reports regarding the inadequacy of medical arrangements in the Indian Army and he had telegraphed to India for full information. He had no knowledge that any representations had been made to the General Staff at Simla in 1917 with regard to the necessity for laying a pipe line to the supply camp of Ali Masjid with pure water, but he would enquire, as he also promised to enquire to the number of men of the 6th Indian Brigade, who had been inoculated against cholera before proceeding to the frontier. Replying to Mr. Burn, Mr. Montagu said Government was most anxious to do what it could for Indian army officers taken prisoners at Kut, who had been invited to submit claims for compensation in respect to expenditure during captivity. Most of the claims had been submitted and he hoped that all would be settled shortly. Replying to Sir J. Rees, Mr. Montagu stated that he hoped to send to the Government of India shortly the advice of the Empire Cotton Growing Committee on the recommendations of the Indian Cotton Committee.

