Scoot, Skip, Jump, Lime and Spin

Time to revisit transportation planning in cities and countries to choose the most environment-friendly, comfortable and safe options

VANDANA GOMBAR

Four companies — Scoot, Jump, Lime and Spin — received permits to offer shared electric-scooters in San Francisco earlier this month, in a fairly neat evaluation process with clearly assigned weightings for sustainability, among other things. The process can serve as a useful benchmark for other cities looking at rolling out new mobility services.

There are four aspects of the San Francisco exercise which stood out:

Scoring smartly: The San Francisco Municipal Transportation Agency issued permits to four operators from the 11 applications it received, based on their total score on eight criteria.

The highest score was for responses "that include robust, unique or innovative approaches demonstrating the highest level of commitment and ability to solving known challenges and concerns and substantially exceeding the minimum requirements."

Scoot scored the highest, followed by Spin (a Ford company), Jump (an Uber subsidiary) and Lime.

Staggered growth: Scoot is permitted to operate 1,000 e-scooters while the other three start with permission for 500 each, increasing to 750 in December and 1,000 by February if each company meets the terms and conditions laid out.

Each operator is to pay a fixed charge ($75) per scooter to finance the installation of new bike racks.

Smooth transition from pilot programme: The scooters started life as dockless micro-mobility vehicles, faced some resistance from the public, and have emerged in a more refined format, all in a matter of a couple of years. San Francisco's transport authority reviewed 12 applications and more than 800 pages of proposals before deciding to permit Scoot and Skip (Toyota is an investor in the latter company) to offer services beginning October 15, 2018 for one year under a pilot programme. A mid-pilot evaluation showed that "powered scooter share systems can serve the public interest when properly regulated." The pilot was thus converted to a formal Powered Scooter Share Permit Program, under which the four licensees got the right to operate from October 15, 2019.

Tracking complaints: Operators of the e-scooter shared service are required to track all complaints, and their resolution. They would also need to share the details of complaints and their resolution with the transportation authority on a regular basis.

EVALUATING E-SCOOTERS

	Weighting (%)
Plan for safe scooter riding and parking	20
Experience and qualifications	20
Community engagement plan	15
Pricing	10
Hiring and labour plan	10
Recharging, maintenance, cleaning and sustainability plan	10
Operations plan	10
Device standards and safety	5

Source: San Francisco Municipal Transportation Authority

In India, sales of electric two-wheelers have slowed down recently, though the vehicle of choice for last-mile connectivity in many cities seems to be the electric rickshaw. In and around the capital city of Delhi, their number has reportedly crossed 1 million. Much of this growth is unplanned and unregulated, leading to further chaos in areas where they ply their trade, since there are no designated parking spots, or passenger pick-up or drop points for the e-rickshaws.

The transition to shared and electric mobility, and the availability of different options under the micro-mobility banner, provides an opportunity to revisit transportation planning in cities and countries, so that the most environment friendly, comfortable and safe options are picked. According to BloombergNEF estimates, investors poured over $84 billion into mobility-service providers in ride hailing, car sharing, bike sharing, scooter sharing and ride sharing between Q1 2014 and the end of Q2 2019.

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CHINESE WHISPERS

Maya's blame game

Still smarting from the rout in the Uttar Pradesh by-elections, Bahujan Samaj Party (BSP) President Mayawati (*pictured*) is taking recourse to lame excuses to shift the blame for the defeat. While the Samajwadi Party (SP) won three of the 11 seats that went to the polls last week, the BSP drew a blank and lost the lone constituency it held to the former. Coming on the heels of the snapping of the SP-BSP alliance after the 2019 Lok Sabha elections, Mayawati has accused the ruling Bharatiya Janata Party (BJP) of helping the SP. Alleging the BJP had conspired to demoralise BSP workers ahead of the big fight in 2022 by letting the SP win a few seats, the Dalit czarina asserted her party would disrupt the saffron party's designs.

Naidu's 15-point charter

Expressing concern over the functioning of legislatures in the country and erosion of public trust in them, Vice-President and Rajya Sabha Chairman M Venkaiah Naidu (*pictured*) on Tuesday unveiled a 15-point reform charter for their effectiveness. Delivering the first "Arun Jaitley memorial lecture on strengthening of parliamentary institutions in the country" at Delhi University on Tuesday, Naidu urged political parties to ensure, through a roster system, that legislators attend at least 50 per cent of the proceedings of the legislature. He also called for a review of the "whip" to enable a reasonable degree of dissent without affecting the stability of the government. Other suggestions included reviewing the anti-defection law and reform of the parliamentary committee system. He also expressed reservations on proportional representation, arguing that it would deepen "social and political cleavages".

Eye on the oil sector

In the backdrop of the government planning to disinvest in some oil companies, the department-related parliamentary standing committee on petroleum and natural gas has decided to study "disinvestment, mergers and acquisitions in the petroleum sector" as part of the 15 subjects it will scrutinise for 2019-20. Some of the other subjects it has taken up and will be filing its reports on are allotting retail outlets and LPG distributorship; pricing, marketing and supply of petroleum products; litigation involving oil public-sector undertakings (PSUs); contract management; and transparency in procurement procedures in oil PSUs.

FMCG majors dig deep in the hinterlands

Manufacturers are expanding direct reach in the slowing rural market to spur demand

ARNAB DATTA

Recently, when Suresh Narayanan, chairman and managing director of Nestle India, was discussing macro-trends affecting the fast moving consumer goods (FMCG) sector, he did not hold back from expressing his concerns about rural distress. Faltering sales of fast moving consumer goods manufacturers in the rural market could be the bigger concern for most, he said.

Some days later, Sanjiv Mehta, chief executive of the country's largest non-cigarette FMCG firm Hindustan Unilever (HUL), voiced similar concerns. Mehta's HUL, which managed to maintain its July-September volume growth at five per cent, asserted that the sharp deceleration was led by a slowdown in rural areas.

TAKE TWO

ANALYSIS BEHIND THE HEADLINES

Retail offtake numbers from market research firm Nielsen endorse these views (*see: The Big Dippers*). It also throws light on a peculiar trend: The slowdown in the northern part of the country is significantly higher than other regions. In the last quarter, volume growth in the largest of the four regional markets, plunged to meagre one per cent — the lowest in the country — from 17 per cent last year.

The FMCG market in the rural North shrank two per cent by volume. Although large companies like Nestle, Dabur or HUL have been impacted by this slowdown in demand, it was the small, local players that have been hit harder. Small players, who account for a third of sales for the region, grew only three per cent by value, compared to 35 per cent in the corresponding period last year. Medium players, accounting for 24 per cent of sales, saw their business shrink by four per cent in the September quarter.

This has resulted in a churn that is now leading to a large number of players exiting the market. During the quarter, Nielsen data shows, 2,000 new players entered the market but close to 2,300 existing players left it — a net loss of 300-odd players. In July-September, 2018, nearly 1,100 FMCG firms had entered these markets.

The markets in the west, and east saw a significant fall in volume uptake as well.

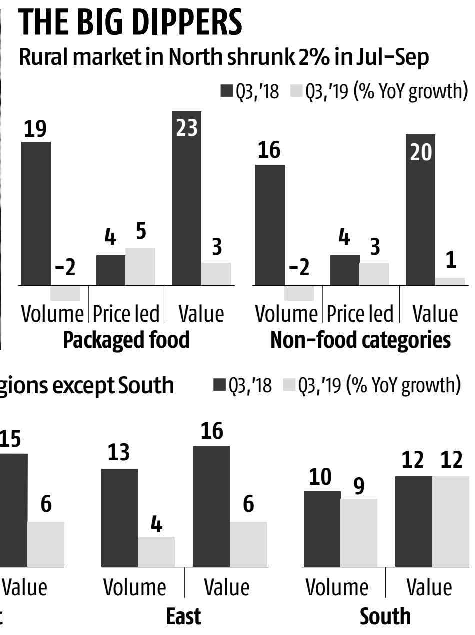
Overall, while rural volume growth slumped to two per cent across the country, in urban areas, it fell to five per cent. Consequently, the rural market, which accounts for 36 per cent of India's FMCG market by sales, contributed 60 per cent to the slowdown. The growth in rural market has been slowing for the past few quarters, but it slipped below urban market growth in the April-June quarter.

Now, the larger companies with the resources to fight back have started working to arrest this slide. Nestle, HUL, ITC, Dabur and Britannia have not only shifted their focus to rural markets but have started long-term projects to boost demand.

Principal among them is to expand the reach into rural hinterlands. Nestle India, for instance, has begun expanding its direct distribution reach aggressively by adding more regions under its distributors' territories. According to Narayanan, this project may enable Nestle to triple its direct reach in the next few years. The exercise has already helped it reach over 50,000 villages directly and the aim is to double that number by 2022. Nestle now aims to generate up to 35 per cent of its sales from the hinterlands in the next three years — a significant deviation from its long-standing "urban focus" strategy.

Market analyst firm Elara Capital noted in a recent report that the continued rural push by the country's largest food company may help it post over 10 per cent volume growth in the September quarter.

THE BIG DIPPERS



Nestle India is also preparing a new range of products and/or SKUs (stock keeping units) targeting rural consumers. "The route to (the rural) market will have to be different (than the urban). We are actively pursuing different options" said Narayanan. Based on localised feedbacks from its 15-odd clusters, the company is planning to come up with customised products for each region. The clusters, each with its own marketing and product strategy team, is now helping Nestle focus on individual geographies separately.

Analysts at Elara added that FMCG firms like HUL and Heritage Foods, apart from Nestle, have better chances of posting strong growth in its core product categories as they are expanding their respective distribution reach. Moreover, Britannia saw a recovery, especially in north and east India due to better rural market sales, led by an increase in lending by banks to its trade partners during the quarter.

Edelweiss Securities further said, HUL's deepening direct reach and product innovation initiatives may help it outgrow the overall market. The company, for example, has increased the pace of product innovation in one of its top-selling brands — Lakme. According to Sandeep Kohli, executive director, personal care, HUL, if earlier HUL was doing 5-10 innovations a year, now it has increased the number to 30-50 on Lakme.

Dabur India,which gets over 40 per cent of its sales from the rural areas, has been actively developing and expanding its distribution and storage infrastructure in the rural market. The firm hired over 700 people to monitor and further develop its business and has brought 4,000-odd villages under its direct fold in early-2019.

The new wave of expansion in rural market is not without a rationale. A larger direct distribution reach helps companies monitor the market better with lower response times. It helps them address any potential slide in sales through customised promotional schemes and market activities.

According to market experts, between 2007 and 2013, the phenomenal rise in rural sales growth was a direct result of the distribution drive by multinationals. Its effects have now tapered off. "Now the companies need to go further, if they want to repeat the high double-digit growth performance in the rural India", said a senior analyst.

INNOCOLUMN

Building startups and companies that last

R GOPALAKRISHNAN

In a previous column (BS, September 25), I had described a progressive and happy society as one where enterprise, education and eudaemonia (well-being) co-exist. Companies, which are designed to last, promote enterprise on the foundation of trust between the ecosystem and the business community.

Business ecosystem: Elisabeth Kübler-Ross was a psychiatrist journalist, who identified a pattern in the reactions of very sick patients when they became aware of their illness: Denial—Anger—Negotiation—Depression—Action. I call it the DANDA cycle. Many human systems tend to follow this cycle, losing a year or so between the D and the last A.

To understand DANDA, consider the factual narrative about Indian economic growth and jobs. First, the system denied any economic slowdown; it deployed addlepated economists to question the bases and comparability of GDP. Second, the system disapproved the Liberals and Khan Market types for being anti-national. Third, to be responsive, the ministry retracted some illogical impositions in the Budget for FY 2019-20. Then officials reduced corporate taxes, which had effectively been increased over five years, even if inadvertently. After that mendacious acts followed like merging unhealthy public sector banks in the hope of creating a healthy bank and merging unhealthy government telecom companies in the hope of creating a healthy telecom company. Then some influential people attacked India-born Nobel Prize winners for their perceived leanings and marital status.

Now we are approaching the fourth stage when reality has started to bite: There is an increasing realisation that jobs and growth do matter to voters. Article 370 and Pak-bashing don't fill stomachs. Finally, we can expect some systemic action as demanded by the last A in DANDA.

The tendency to announce near-victory is a pervasive disease. This is exemplified by the reports on ease of doing business. Spokesmen become laudatory if India moves up in the World Bank index of ease of doing business. The improvement is great, thank you, but let us not ignore the fact that the index is based on just Mumbai and Delhi. Further, the World Bank places India at positions below number 150, at the bottom of the pile, when it comes to enforcing contracts and registering property. Ease of business cannot be viewed quixotically as enthusiastic officials seem to do by relying on narrow "mathiness". They must test the broader "truthiness". I have battled a criminal charge with a NBW of arrest on a charge (flawed) of serving more than 10 boards after an amendment to the Companies Act. Come out into the real world and hear real voices, dear administrators.

What can business do? A lot.

Business community: Business folks should reflect and act on how to build honest startups and companies that will last. The euphoria around unicorns and startup valuations has reached rather ridiculous flights of fantasy. The legendary Masa (Masayoshi Son) seems to be rethinking his strategy of funding losses, based on recent sobering experiences with Uber and WeWork. Since "God" is revising his gospel, the local Indian VC industry will also shortly rethink because a new gospel will soon emerge from the valley. Watch for changes in the approaches of Walmart-Flipkart and Amazon.

In July 2019, Harvard Business Review carried a persuasive piece entitled, "Building startups that will last" by Hemant Taneja and Ken Chenault. It is a subject that I am obsessed with because I am researching an allied subject. I summarise the lessons of the authors as I remember them.

- Articulate and practice principles for society-first, not just financial achievement.
- Be adaptive and perpetually a learner
- Demonstrate the ability to execute and execute, time and again.
- Move beyond founder-leadership to scalable leadership.

Hang on, these are the same lessons learnt by centurion companies like Unilever, Tata, Nestle, Dabur and Godrej; these same lessons are mentioned in books on long-life Japanese, American and European companies. Do they apply to startups? Are not startups different?

Startups are not a different genetic species, one which you must rapidly fatten and cull in a short time. The avaricious capital of high net worth individuals has converted the startup economy into a sort of Las Vegas for over three decades. We should never forget that yesterday's startups have become today's grownups. Today's startups need to grow up, not bask in permanent infancy.

It is noteworthy that the Prime Minister has emphasised the value of wealth-creators to our economy, time and time again. I feel that the last A of the DANDA cycle should prompt the ecosystem and business folks to think and act differently for the future.

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LETTERS

Like a phoenix

This refers to "Amitabh's changing role" (October 29). Angry young man, sadi ka mahanayak, youth icon and what not, superlatives fall short for Amitabh Bachchan. From being rejected by All India Radio for his baritone to becoming a superstar, a politician, an owner of a bankrupt company and now a popular TV show host. He has rewritten the definition of reinvention.

Today roles are being written for him and he keeps giving the younger breed of actors a run for their money. Some might call it overexposure of a brand icon but when you are there in almost every third or fourth advertisement then a company is bound to use your mass appeal. If any budding artist wants to know how to connect with his or her fans and use social media in the best possible manner then he or she must not look beyond Bachchan. From being on death bed and bankrupt in a failed venture, he has risen like a phoenix time and again and that is why people trust what he says.

Bal Govind Faridabad

More than promise

Eyebrows are raised at the visit of a "select" team of European Union law makers to the Kashmir Valley. The group photo of Prime Minister Narendra Modi with the EU MPs as part of the red carpet extended to them said it all. While supporters of the Modi government's Kashmir policy hail it as a "truth tour" and an "excellent diplomatic strike", critics denounce it as a "guided tour" and a "face-saving exercise". Touted or decried, it is obvious that it has been arranged to validate the government's claim of normalcy in Kashmir.

The clear signal is that the government is badly in need of a certificate of normalcy from the EU MPs to corroborate its version of the situation in the Valley even at the cost of further internationalising the Kashmir issue. The government has not agreed to an all-party delegation of Indian parliamentarians to Kashmir, but it has given foreign parliamentarians access, exemplifying its skewed and self-serving nationalism in the process.

EU MPs hired, hosted and detailed to demolish the lockdown claim of Lutyen's lobby represent ultra-right wing with Islamophobia and neo-fascist sympathies and they cannot be expected to make an objective assessment of the situation on the ground by interacting with a representative cross-section of society ranging from apple growers and traders, houseboat men, hoteliers, weavers, shopkeepers and schoolchildren. The high-profile panel stands to lose credibility when it meets army officers and does not meet the leaders under detention.

A lot more than the promise of development is needed to address the sense of being occupied and subjugated. Something more than enumerating the "advantages" accruing from the revocation of special status is needed to wean the people away from their voluntary and peaceful civil disobedience. The humanitarian crisis in Kashmir is of the government's own making. The government can and must win the hearts and minds of the people of Kashmir by rescinding its decision to abrogate Article 370 and taking steps to fulfil their legitimate political aspirations.

G David Milton Maruthancode

Time to act soon

This refers to "Infy assures clients in whistle-blower case" (October 29). Infosys is by now too familiar with whistle-blowers and has had a disproportionate share of adverse corporate publicity compared to its peers and suffered sharp attrition of stock value. In this unsettled IT scenario, a Sikka déjà vu could end up in a major set-back for Infosys. In that episode, internal and external inquiries unanimously cleared Vishal Sikka of misconduct. Previously, the law firm Gibson, Dunn & Crutcher had concluded that there was no incriminating evidence to suggest that Sikka or any other employee of Infosys had profited from the said acquisition of Panaya. The role of the founders was unfortunate as they lost faith in the systems of their own creation and worse they chose to intervene beyond their remit. Salil Parekh then took over after Sikka and just two years later, a whistle beeps. This too may well turn out as unfounded but then the damage is already wrought in the market. The founders must quickly provide the reassurance unlike earlier. Surely, Infosys deserves it.

R Narayanan Navi Mumbai

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HAMBONE

Business Standard
Volume XXIV Number 54
MUMBAI | WEDNESDAY, 30 OCTOBER 2019

Save the bankruptcy code

Govt must step in to make necessary changes

One of the few high-profile successes of the Insolvency and Bankruptcy Code (IBC) has been the sale of Bhushan Power & Steel Ltd (BPSL) to JSW Steel. Yet even this has had a spanner thrown in the works by the recent attachment of BPSL assets by the Enforcement Directorate (ED), the investigative agency that reports to the Union Ministry of Finance. It is concerned that BPSL might have violated the Prevention of Money Laundering Act (PMLA). It cannot be anyone's contention that due investigation should be stopped. Certainly, if criminal acts have been committed, then those responsible should be brought to justice. But the attachment of property in the course of an investigation cannot be indiscriminate. In this case, given that BPSL was in the final stages of its sale to JSW, the attachment has effectively derailed the IBC process, which also carries the force of law. It is unsurprising, therefore, that the National Company Law Appellate Tribunal has asked the finance and corporate affairs ministries — the latter being the ministry responsible for the bankruptcy process — to sort out their differences.

Such differences should never have been allowed to arise. It is inexplicable that an agency under the finance ministry is unaware of the importance to the broader economy of the successful functioning of the IBC process. For both restoring banks to health and reviving broader investment in the economy as well as unlocking stalled capital, the IBC process is the only game in town. But it is unfortunate that the ED may once again have attached processes without applying its mind. Such behaviour has had systemic effects before, notably after the attachment of bank properties following the revelation of fraud at Punjab National Bank. Last month the PMLA Tribunal accused the ED of "inadequate investigation" of that case and that it attached the property of a consortium of banks involved in a "mechanical" manner. The tribunal also pointed out that such attachment stalled the recovery process for banks. Even so the ED seems to have learned no lessons.

The government has responded swiftly and with efficiency in the past to preserve the integrity of the IBC process. Whenever necessary, swift amendments or even ordinances have been used to keep the system moving. Such action may be required again. The finance ministry, which is surely aware of the importance of IBC, may take the lead. Essentially, no bidders will be found for companies through the IBC process if even after the NCLT approves of the takeover a further legal liability can stall the process. It will also put banks in a tight spot because they will not be able recover loans if the promoters or the management is investigated for a fraud. Once the company changes hand after going through the bankruptcy process, it should be able make a fresh start. In the case of a fraud, promoters and management can be prosecuted separately.

If the two ministries and their agencies cannot get their act together in terms of implementation — in spite of sharing the same Cabinet minister — then the laws will have to be amended in such a way that the IBC is given priority once the NCLT has ruled or the process has gone beyond a certain stage. If necessary, the Prime Minister's Office should enforce co-ordination and speedy action.

Job crisis signal

Young people opting for MGNREGA work is worrying

The Indian economy is in the midst of a severe slowdown and the data suggests that a sharp recovery in the near term is unlikely. Apart from the lead indicators such as vehicle sales, which tend to grab headlines, developments on the ground are also not encouraging. An increase in the number of young workers lining up for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a case in point. As a recent report in *The Indian Express* showed, the number of workers employed in the age group of 18-30 under the MGNREGA reached 7.07 million in 2018-19 compared to 5.8 million in 2017-18. The number had declined significantly after 2013-14. More people are seeking work under the Act in the current year as well.

While reasons for this shift are worth investigating, a higher enrolment of people in the 18-30 age bracket in the subsistence-level job guarantee programme prima facie means severe lack of employment opportunities. The gross domestic product data for the April-June quarter, for instance, showed that growth in the construction sector declined to 5.7 per cent, while expansion in the manufacturing sector collapsed to 0.6 per cent. Subdued activity in these sectors and their inability to absorb labour could have pushed workers to seek employment under the MGNREGA. It is also likely that distress in agriculture could have affected the demand for labour in rural areas.

However, there is another important aspect that needs policy attention. A 2017 discussion paper by the NITI Aayog showed that about two-thirds of income in rural India is now generated through non-agricultural activities. About half the construction and manufacturing sector output comes from rural areas. It also contributes significantly to the services sector output. It would be interesting to see if manufacturing units in rural areas are losing out because of size and greater formalisation of the economy after the implementation of the goods and services tax. Although manufacturing units in rural areas are more capital-intensive, pressure on output could have had an impact on employment.

At a broader level, the inability of the Indian economy to create enough jobs can have longer-term consequences. As the latest Economic Survey noted, India is witnessing a demographic transition with a significant increase in the proportion of the working-age population. The working-age population in absolute terms is likely to grow by about 9.7 million per year between 2021 and 2031. Growth will slow in the subsequent years. India cannot afford to lose this opportunity. It will not be able to take advantage of a rising workforce without creating enough employment opportunities. Clearly, as the evidence suggests, this is not happening at the moment. A trend reversal will require more investment, which will help generate jobs. In this context, the government has done well to reduce the corporate tax rate and, over the last few years, India has moved up significantly in the World Bank's Ease of Doing Business ranking. However, as World Bank President David Malpass has rightly noted, India needs to do a lot more, particularly in areas such as land registration and contract enforcement, to attract investment. Therefore, the pace of reforms must be accelerated. Only higher investment and rapid growth can create sufficient employment opportunities. The situation forcing young workers to enrol for the MGNREGA work needs to be reversed.

ILLUSTRATION: BINAY SINHA

A Brexit nervous breakdown

The fabric of Britain's unwritten constitution has been dangerously damaged by partisan passions over Brexit

DEEPAK LAL

During the last five months I have been in London watching with growing astonishment as the world's oldest democracy (based on an unwritten but well-honed constitution) goes through a nervous breakdown. With Theresa May's withdrawal bill agreed with the EU being defeated thrice by massive Parliamentary majorities for making the UK, in effect, a colony of the EU for the indefinite future, Ms May reneged on her oft-repeated slogan "No deal is better than a bad deal", by not letting the UK leave the EU on WTO terms at the end of March. Instead she asked for an extension of the withdrawal date from the EU to the end of October.

In the following interregnum, she was ousted from the premiership of the Tory party, which elected Boris Johnson as the leader and thence prime minister (PM) at the end of June with the pledge that the UK would leave the EU on October 31 (Halloween) with or without a deal (on WTO terms). He was faced by a hostile Parliamentary majority of those who had supported Remain in the 2016 referendum, even though in the snap election of 2017 nearly all stood on manifestos to implement the referendum verdict of leaving the EU by the end of March 2019.

Surprisingly, Mr Johnson succeeded in negotiating a new deal with the EU, which removed the more objectionable clauses of Ms May's withdrawal agreement, including the notorious Irish backstop, which would have tied the UK as a permanent vassal of the EU, subject to its laws as enforced by the European Court of Justice. But, instead of supporting and lauding this deal, the Remainers have sought to thwart it by using various Parliamentary procedures (unlawful under the conventions of the unwritten constitution) to legislate delays in the withdrawal date. They have also refused to allow a fresh election despite the Tories losing their Parliamentary majority. So, the polity now is in limbo. How has this extraordinary constitutional impasse been allowed to develop?

The proximate cause was the Shakespearean denouement after David Cameron —who had called the 2016 referendum—resigned as PM after his Remain side lost. In the following election for the Tory leadership and thence PM, Mr Johnson, the leader of the Leave campaign, was fatally stabbed on the morning he was to announce his candidacy by his campaign manager Michael Gove, who chose to stand himself. The other Leave candidate Mrs Leadson committed electoral suicide by making foolish remarks about the childlessness of the other candidate (the Remainer) Ms May who won the leadership election and became PM by default. Uncharismatic but stubborn, with little political nous nor intellectual depth, she foolishly called a snap election which destroyed the Tory majority David Cameron had won and was forced into an electoral pact with the Northern Irish DUP for a Parliamentary majority.

She then conducted the most disastrous negotiations with the EU as a supplicant rather than as the proud leader of a major economy and military power wishing to reassert UK sovereignty and the primacy of its distinctive non-European Common Law. By agreeing to the EU's sequencing of negotiations, leaving the all-important post withdrawal economic relationship with the EU to the last, she gave an inherent advantage to the EU which Michel Barnier and his team exploited brilliantly to tie the UK indefinitely in the EU without any say.

Having escaped this trap, Mr Johnson is now faced by another problem created by Mr Cameron. When negotiating a coalition government with the Liberal Democrats, Mr Cameron — seeking to ensure a five-year term to carry out his legislative agenda — agreed to a LIBDEM proposal for a fixed-term parliament. This went against one of the important rules of Britain's unwritten constitution, which allowed the prime minister to call an election whenever he deemed it desirable for national or party political reasons. Under this new constitutional law a super parliamentary majority is required for an election to be called before the five-year parliamentary term ends. Mr Johnson has failed thrice to get this majority for an election to clear a parliament dominated by Remainers from thwarting the executive's will.

In the past, as part of the unwritten constitution, the judges could be expected to find a way through this constitutional impasse. Here again past unwise constitutional change have led to another trap. In the past the Law lords in the House of Lords along with the Lord Chancellor (from the ruling party) dealt with this legal process. But Tony Blair in his desire to ape the European Court of Justice decided to set up a Supreme Court in which the Law Lords became virtually independent agents.

The dangers of this became apparent when this new court, against precedent and previous laws, deemed Mr Johnson's prorogation of parliament illegal. It turns out that Lady Hale (known as Spiderwoman for the brooch of a spider she wore during the legal proceedings) was a Remainer. No impartiality could be expected from this court if the Fixed Term Act was legally challenged.

Then there is the Speaker of the House of Commons, John Bercow, an avowed Remainer who used what is meant to be an impartial position to allow an unprecedented and, according to the unwritten constitution (as pointed out clearly by Jacob Rees Mogg the leader of the House), an illegal ruling allowing parliament to take over the business of the House instead of the executive. This allowed various delaying tactics to be enacted into law. Fortunately, he is retiring at the end of October and this trap may be removed in the future.

But, there may be some light appearing at the end of the tunnel. Forced by a Parliamentary Act passed through the unconventional takeover of legislative business by the Remainer parliament permitted by Mr Bercow, Mr Johnson was forced to ask the EU for an extension to the UK's current departure date from the EU of October 31 to January 31, 2020. This has just been granted as a "flextension", to end early if Mr Johnson's withdrawal deal is ratified by the UK and European parliaments by end November, or after a UK general election in December. Otherwise there would be a "no deal" exit on January 31.

With parliament due to vote (as I write) on a December election based on a proposal by the LIB Dems and the SNP — both want an early election for their own special reasons — for a parliamentary vote, which only requires a simple majority, the current Brexit impasse could end. If Mr Johnson wins the election as expected, he hopefully will have the fixed term Act repealed, the Supreme Court abolished and replaced by the old final Appeal Court of the Law Lords supervised by a political Lord Chancellor, and convert the conventions about the Speaker's discretionary powers into laws. This would restore the fabric of Britain's unwritten constitution, which has been so dangerously damaged by the partisan passions of Brexit.

PM's Diwali gift to the economy

JAYANTA ROY

This festive season has been marred by dismal economic news all around. India is slipping pathetically from its high growth trajectory. Exports continue to decline. Major financial institutions and donors have downgraded the country's growth prospects in the coming year. But the recent World Bank's Doing Business rankings provided the spark the economy badly needed. India made impressive improvements in the 2019 rankings of Ease of Doing Business — a jump from 100 in 2017 to 63, and similar one for Trading across Borders from 146 in 2017 to 68. These results are a big achievement on the part of the government to improve the overall business climate and reduce the massive trade transaction costs that had been plaguing the Indian economy. For this, the credit squarely belongs to Prime Minister Narendra Modi who vigorously pushed for it since he took office as a part of his Make in India vision.

These improvements, if they continue, will soon create a conducive environment for the right kind of export-promoting or outward-looking foreign direct investment (FDI) to flow in. Most FDI in India so far has been inward-looking to tap the large domestic market with high tariffs and transaction costs.

Another measure of trade transaction costs is the Logistics Performance Index (LPI) of the World Bank that captures behind the border transaction costs. These are largely dependent on a country's logistics capacity. Logistics reforms that impact transaction costs behind the border include: Transport infrastructure such as road, rail, ports, and airports; reliable communications and technology infrastructure, and quality logistics services such as transport operators. India's ranking in LPI has also improved over the years, and stands at 44 at present.

However, we cannot afford to be complacent since we still do not compare favourably with Southeast economies as the table shows.

Future reforms in trade and logistics facilitation are recommended in the October 2018 Logistics Development Report of the Prime Minister's Economic Advisory Council. A slightly modified version of my recommendations are here:

Behind the border logistics

- Rail tariff rationalisation and expediting commissioning of dedicated freight corridors (DFCs)
- Fast track elimination of container freight stations and inland container depots by pushing direct port delivery (DPD) and direct port export (DPE)
- Nudge shipping lines to institute a transparent tariff structure
- Seamless and efficient road transport experience — introduce One Nation, One Permit, One Tax System
- Uniform business processes. Standardise gate-in /gate-out approvals and documentation processes
- 24 x 7 shipping line services to trade

Border trade facilitation

- Fully facilitated trust-based clearance processes through modern risk management system
- Fully-automated paperless trade environment with minimum face to face interactions
- Single-window digital portal integrating all stakeholders
- Monitoring of key outputs across major gateways
- Physical inspection of goods to be an exception
- Training of officers to operate/manage the new system, implement audit-based controls with the use of IT
- Popularise advance bills of entry, authorised economic operators, DPD and DPE in the private sector
- Target cargo dwell time to reach levels comparable to the successful Southeast Asian countries

Institutional framework

- Establish a National Council of Logistics and Trade Facilitation outside the line ministries reporting to the prime minister
- It must consist of Cabinet ministers of the ministries and departments related to logistics and trade facilitation, and chief ministers of concerned states
- Private sector and trade stakeholders should be represented
- The logistics wing under the commerce ministry be made a dedicated secretariat
- Development of robust performance outcomes for logistics and trade facilitation
- Monitor performance through an online dashboard and fix responsibilities for time-bound corrective action
- Facilitate policy development and multi-stakeholder coordination
- Regular publication and dissemination of data on key sectoral outputs

PECKING ORDER

	Doing business rank 2019	LPI rank 2018
S Korea	5	25
Malaysia	12	41
Taiwan	15	27
Thailand	21	32
China	31	26
India	63	44
Vietnam	70	39

India should quickly implement these reforms to revive the lost export momentum and spur high, inclusive growth to create jobs. The prime minister should now with the same zeal bring down our average tariff levels to make our industry internationally competitive. These reforms, along with his recent overruling of all opposition from some of his ministers, industry, and an important part of his party, to be in the Regional Comprehensive Economic Partnership, will be his biggest personal contribution to the long overdue trade reforms.

The writer is a former economic advisor in the Union commerce ministry

The charmed life of a royal relation

BOOK REVIEW

T C A SRINIVASA RAGHAVAN

Lord Louis Mountbatten was a member of the British royal family. That got him many jobs which he didn't perhaps deserve fully. In the end it also got him blown up when a bomb went off on his boat in 1979. He didn't deserve that either.

But he lived a good life. The royal connection also got him many good jobs, including that of Supreme Commander of Allied Forces in the East during World War II. He was just 43.

Churchill wasn't keen but eventually went along. He may have wanted to send him very far away. In any case, the Americans were calling the shots by then. Dickie couldn't do much harm.

Another job that he wasn't quite suited for was that of the last Viceroy of India. He made a monumental mess. According to one historian, he hurried up the independence of India because he wanted to get back to London quickly so that he would be in the running for heading all British forces. That haste is what led to the partition mess.

Mr Lownie is very sympathetic to his subject. There is negligible detail. So the reader comes away thinking of old Dickie as what they call good man the *latten* in Punjab.

This book, whose major strength is its enormous bibliography, tells many stories. Many of them are well known but a few are not. Thus not many people know that Mountbatten was in charge of the disastrous Anglo-Canadian raid on the port of Dieppe in German occupied France.

It wasn't a great idea to start with, and Mountbatten knew that it wouldn't work. It was more of a political statement rather than a military one.

Given the various hurdles that Mr Lownie lists, it shouldn't have happened. But "Mountbatten, naturally impatient and over-confident took the decision to proceed with the operation...".

But Mountbatten, says Mr Lownie, had a crack PR team, with no less than Daryl F Zanuck on it, and managed not to get associated with it in the public mind. This despite the fact that people always tend to associate failure with specific people.

So the confusion over who screwed up still continues. But the fact remains: He was in charge and should have stopped it after realising that it wasn't going to succeed. This was Dickie all over.

It's also, as we know, very similar to the way Indians think of him as not being responsible for partition. In the hierarchy of those who get blamed, he comes last.

His own report on it is a masterpiece of the technique of how to distance yourself. Indeed had it not been for the official record available in the Transfer of Power volumes, it might well have become the only record.

What Mountbatten's contribution in Asia was is still unclear. Mr Lownie attributes many things to him like energy, coordination, teamwork etc, but specifically? Nothing or not much.

Mercifully this book is not entirely about all that, at least not much. It's also about his — and his wife's — personal life. Both were very colourful. In his preface the author quotes Mountbatten as saying, "Edwina and I spent all our married lives getting into other people's beds." Right.

Very early on in their marriage they agreed not to insist on marital fidelity. After that it was all smooth sailing. But even there the details are absent. Who had greater success, for example? The men usually draw the short straw so it would have been interesting to know who manages to get into more beds.

Edwina's affair, if it was fully that, seemed to hurt. Mr Lownie says at one point she may even have considered divorce but she didn't really want it. Life was very nice with Mountbatten and anyway by the mid-1950s the ardour has cooled considerably. They weren't writing as often and after 1955 or so the annual visits also tapered off. But while it lasted it was very intense, even if Nehru wasn't very loyal.

Mr Lownie says on page 268 that "Nehru was deeply attractive to women and had many lovers". He lists four of them.

But he is careful not to sound judgemental. But by every token it was inexcusable behaviour for a prime minister. No gloss is possible.

One last nugget. Mr Lownie says when Jinnah was given some letters from Edwina to Nehru, he returned them saying he "had no wish to capitalise on them".

THE MOUNTBATTENS: Their Lives And Loves
Andrew Lownie
Harper Collins,
490 pages, ₹699