

No growth at all costs

Start-ups must have a clear path to profitability

Start-ups are a growth engine for the slowdown-hit Indian economy, at least two industry reports have reiterated recently. Consider the “Indian Tech Start-up Ecosystem”, the latest report from the National Association of Software and Services Companies (Nasscom). It is heartening to know that India has the potential to create more than 100 unicorns (a start-up parlance to describe companies with a valuation of \$1 billion and above) in the next five years. According to the report, the country will have 95-105 unicorns, enjoying a cumulative valuation of \$350-390 billion. At present, India has around 24 unicorns. While seven were

added this year itself till September, another two to three could be added by the end of 2019. India is third in the unicorn pecking order, after the US and China.

The other report by KPMG also celebrates the Indian start-up story. The report, “Fintech and Startups Fuelling India’s \$5-trillion Economy”, highlights the role of start-ups in giving a growth impetus to the broader economy. It noted that despite the overall slowdown, there was no dearth of funding in the start-up economy. Government, the private sector, and academia — forming the golden triangle — are important players for boosting the start-up eco-system further, the report suggested.

It also brought out the difference in funding between traditional businesses and start-ups. Traditional businesses relied on banks for funding their capex, and that the growth plans are stuck with liquidity drying up. In contrast, capital (mainly by venture capital and highly valued tech firms) has continued to flow into the start-up world. Industry estimates peg fund infusion in Indian technology start-ups at \$4.4 billion till September this year, up from \$4.2 billion in the corresponding period last year. Early-stage funding also rose significantly — as much as 70 per cent year on year, according to Nasscom.

All this is encouraging news, but that’s just one side of the story. The harsh reality is that profitability remains rare among the internet-led businesses, more than a decade after the country’s biggest e-commerce company, Flipkart, was born. Growth without profitability may not be a sustainable model in the long

run, as the start-up universe has witnessed time and again. There is no doubt that the narrative on the distance and the path to profitability has to become a bigger part of the story versus growth at all costs.

International investors backing start-ups typically target high valuations of the businesses they fund, so that they can exit profitably. Towards that end, investors often push start-ups to play the volumes game in sales while maximising the user base. That, in turn, is made possible by offering deep discounts, whether on a shopping site or a food-delivery platform. This explains high growth among start-ups with little focus on profitability. The fact is that if an investor wants to stay in business for a longer period, return on investment is the key. Also, without a road map for profitability, Indian start-ups run the risk of killing the spirit of entrepreneurship, while giving in to the valuation game of investors.

Many Indian start-ups have fallen by the way-side, and a large number of founders have had to step down because of a business model targeting notional numbers rather than profitability.

While start-ups have indeed emerged as a success story for the country in the midst of a slowdown, the funding structure in this ecosystem may be more fragile than popularly believed. It’s a vibrant industry with around 9,000 tech start-ups in the country, and counting. But as a recent report pointed out, Gurugram-based tech-enabled logistics firm Rivigo was set to become one of the first Indian unicorns to turn profitable, planning to achieve cash break-even in the current financial year. It is important for the survival of the ecosystem that more and more start-ups become profitable. This will also help attract more investment and make the start-up ecosystem a real driver of economic growth.

The brave new world of ample oil

The shift from scarcity to abundance has been brought about in an astonishingly short time by America’s “fracking” revolution, leading to massive benefits for consuming countries



Unconventional oil: A wellhead on a fracking site leased by Oasis Petroleum in the Permian Basin oil production area near Wink, Texas

PHOTO: REUTERS

TILAK K DOSHI

In the oil universe, the September 14 attack on Saudi Aramco’s oil facilities is comparable to the 9/11 attacks on the twin towers in New York City. Yet, the taking out of half of the Kingdom’s oil output led not to an oil shock but a whimper. Barely two weeks after the brazen attack, oil headlines were once again dominated by fears of over-supply and falling prices amid a slowing global economy. Following an initial 20 per cent intra-day price surge after the attack, the benchmark Brent Crude oil price quickly retraced its steps back down to pre-attack levels.

US output surge benefits Asia

The shift from a perceived world of oil scarcity to abundance has been brought about in an astonishingly short period of time by the advent of the “fracking” revolution in the US. This combines horizontal drilling and hydraulically-fracturing shale rock with high-pressure liquids to extract “unconventional” oil and gas. In the past decade, US crude oil production more than doubled. By mid-2019, US production was rated at over 12 million barrels per day (b/d), surpassing Russian and Saudi Arabian output as the world’s largest.

Academic studies suggest that global oil prices would have been higher by \$10-50 per barrel if there had not been a fracking boom in the US. Given the scale involved, even with conservative estimates on the price impact, the US upsurge in unconventional oil production has probably led to the biggest transfer of wealth in history. Largely at the cost of reduced oil revenues to OPEC and Russia, benefits have primarily flowed to the world’s largest oil markets in the US, China, India, Japan and South Korea, as well as America’s unconventional oil producers.

From what was previously expected to be an inevitable growing dependence on West Asian supplies, Asian oil refiners are now spoilt for choice. With Europe’s long-declining oil demand trends, crude oil exports from the Russian Far East, West Africa and Latin America to Asian markets compete with the traditional large exporters of West Asia.

While the majority of Asian crude imports are still sourced in West Asia, prices are set at the margin by competing crudes from other regions including the US.

West Asia’s reform imperatives

While the US fracking revolution has benefited Asia’s crude oil importers, it has burdened West Asian oil producers. The Gulf countries had built up extensive welfare states utilising massive oil revenues to support social security, health, education and government employment programmes. The social upheavals since the Arab Spring in 2010 led the Gulf states to further expand social support programmes to maintain their implicit social contracts with their citizens.

By emerging as the “swing” oil producer, America has weakened the ability of OPEC and Russia to support crude oil prices by curtailing production

The limits of their tolerance to declining oil export revenues. Low oil prices make the imperative of economic reforms and industrial diversification a central concern for the Gulf “rentier” oil states. The risks of a collapse in the social contract between the ruling regimes and their peoples in the Gulf region may be remote for now. The spectre of growing populations, unemployed youth and persistent budget deficits, however, will increasingly concentrate the minds of its planners and palace advisors.

Oil geopolitics upended

Ever since the historic meeting of Saudi Arabia’s King Abdul Aziz Ibn Saud with US President Franklin D Roosevelt on a warship cruiser in the Suez Canal in 1945,

the *quid pro quo* of the strategic relations between the two nations has been clear: While the Saudis assured the Western world access to its oil exports, the US served as the security umbrella for the Kingdom. With its new-found unconventional oil and gas resources, the US is no more the energy supplicant in this relationship. Saudi Arabia and other West Asian oil producers still constitute the world’s major source of low-cost conventional oil reserves. However, their overwhelming dominance is no longer a defining feature of global oil markets.

In the age of US-led oil abundance, conventional notions of geopolitical risk and perceptions of energy security have been upended. By effectively making the US the “swing” producer in global oil markets, the fracking revolution has weakened the ability of OPEC and Russia to support crude oil prices by restraining output. It may be argued that US strategic interests in West Asia might wane along with the decline in its energy imports from that region. But it would be a mistake to make too much of America’s reduced dependence on West Asian oil. Containing Islamic terrorism, mitigating the threat of nuclear proliferation and supporting Israel’s defence needs in a volatile region remain strategic foreign policy imperatives.

It is also important to avoid a superficial understanding of “dependence” on oil imports from West Asia. Oil is sold in fungible global markets, and its price for the large oil importers in Asia is linked to its price everywhere else. Ultimately, it does not matter how much of the oil consumed in Asia comes from West Asia. The price of oil depends on global demand and supply, and the disruption of oil trade flows anywhere affects consumers everywhere. The precepts of “energy security”, founded on defunct Malthusian notions of scarcity, have been debunked. Asia’s oil importers and West Asia’s oil producers now face the brave new world of ample competing oil supplies, shifting geopolitics and an American energy renaissance.

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The case for fixed exchange rates

SITHARAM GURUMURTHI

In an earlier article (*Business Standard*, March 24, 2019), the need for dispensing with the outdated relic called special drawing rights (SDRs) was discussed. This article deals with the implications of abolishing SDRs and contemplates a return to the Bretton Woods system of fixed exchange rates, where the value of a currency is determined by the US dollar and gold.

SDRs, an international reserve asset created by the International Monetary Fund (IMF) in 1969 to support the Bretton Woods’ fixed exchange rate system, should have been abandoned immediately after US President Richard Nixon’s announcement in August 1971 that the US would no longer exchange dollars for gold at the fixed exchange rate of \$35 per ounce. On the contrary, the SDR, redefined as a basket of 16 currencies from 1974 to 1980, was replaced in 1981 by a basket of five currencies — the US dollar, Deutsche mark, French franc, pound sterling, and the Japanese yen.

After the introduction of the euro in January 1999, the SDR basket included only four currencies: The dollar, the euro, the pound and the yen. It was expanded in 2016 to accommodate the Chinese yuan as the fifth currency. Of these five currencies, both the euro and the pound sterling are in trouble and continuance of the SDR as an international reserve asset in its present form is no longer viable. The other two, the yen and the yuan, are well known for currency manipulation in the past to boost exports.

In 1985, the Japanese yen at 220 to a dollar had almost killed the US auto industry, until President Ronald Reagan imposed import quotas on Japanese cars, and the yen rose to 120 to a dollar. Strangely, the IMF had failed to remove the yen from the SDR basket in its 1986 review. Had this been done, the Chinese yuan, which President Donald Trump refers to as the “grand champion of currency manipulation”, would not have found its way into the SDR basket in 2016. This leaves out only the US dollar. In other words, this would signal a return to the fixed exchange rate regime.

The price of gold has remained remarkably stable during long periods of time. Isaac Newton, in his capacity as the Master of the UK Mint, fixed the price of gold roughly equivalent to \$20 per troy ounce of gold in 1717 and it remained at this level until 1914. The official US gold price changed only four times

between 1792 and the present. Starting at \$19.75 per troy ounce, it rose to \$20.67 in 1834 and \$35 in 1934. In 1972, the price was raised to \$38 and then to \$42.22 in 1973. A two-tier pricing system was created in 1968, and the market price of gold has been free to fluctuate since then.

A careful appreciation of gold prices from 1833 to 1971 on the one hand and the behaviour of gold prices in the post-1971 era constitute the basis of my plea for abolition of the SDR and a return to fixed exchange rates. Gold prices have risen beyond one’s imagination in the post-1971 era (from less than \$41 per ounce to over \$1,500 in 2011), when the Bretton Woods system was abandoned and exchange rates were subject to the values of various currencies in the SDR basket. A comparison of gold prices before and after 1971 is striking, and provides enough justification for a return to fixed exchange rates.

The US holds the largest amount of gold — 8,133.5 tonnes, which accounts for 75 per cent of its reserves. In fact, its gold holdings account for 36 per cent of the total of 22,657 tonnes of gold held by the next ten countries.

Once the US dollar replaces the SDR as the single reserve currency, the dollar could qualify to be a common currency for a select number of countries. Even after the introduction of the euro in 1999, the dollar accounts for nearly 64 per cent of global currency reserves, compared to 27 per cent held in euros, with 40-60 per cent of international financial transactions being denominated in dollars. If both the UK and the European Union were to adopt the US dollar as their currency, it could lead to substantial savings in terms of conversion and transaction costs for payments to the Gulf countries for oil, which is priced in dollars. But if a country such as France were to join the dollar zone, it will be necessary to return all the gold France exchanged for the dollar prior to August 1971.

As in the case of the Maastricht Treaty for the euro, the US Federal Reserve in close coordination with the IMF should evolve specific criteria for admission of countries into the dollar zone. Apart from the eleven countries who joined the euro zone in 1999 and Britain, the dollar zone could cover countries such as Canada, Australia and Singapore, provided they satisfy the criteria to be prescribed for the purpose. The replacement of SDRs by the US dollar could mark the culmination of President Trump’s “America First” initiative.

The writer was formerly with the IMF

OTHER VIEWS

Proposed fund could help revive stressed realty sector

Identifying genuine projects in need of support will be critical to success

From first looks, the long-awaited package to support the real estate sector, cleared by the Cabinet on Wednesday, appears well-designed. The ₹25,000 crore Alternative Investment Fund (AIF) announced by Finance Minister Nirmala Sitharaman has expanded in both size and scope from the earlier one announced in September. And the variables are clear, such as the unit sizes that will be supported. The AIF will provide funds to bail out stalled real estate projects with unit size of less than ₹2 crore a unit in metros and ₹1 crore in other places. According to Ms Sitharaman, over 1,600 projects involving some 4.58 lakh housing units are stalled for want of funds.

The real estate sector is not only one of the biggest providers of jobs but also has a huge multiplier effect in the economy. While the AIF is a good idea, it is important that it is implemented without glitches. Too many good ideas have suffered due to bad implementation. The critical part will be identifying genuine projects in need of support and ensuring that biases do not creep in. Also important will be attracting more investors into the AIF. The finance minister said that sovereign funds and other private investors have shown interest. These need to be followed upon quickly and money should be



released from the AIF right away so that the trickle-down effect is felt before the end of this financial year. The real estate industry now has to do its part.

The Hindu, November 8

Law and disorder

An unfortunate face-off

New India can be a topsy-turvy turf. Its capital, for instance, had been temporarily besieged — ironically by the keepers and the practitioners of law. An altercation at a parking lot flared up into a full-fledged confrontation between the police and the lawyers, indicating the troubling relationship between law and disorder in the country. Lawyers have complained of police heavy-handedness at the Tis Hazari court complex. The charges against the lawyers are equally grave.

The consequences of such an unprecedented face-off between two crucial pillars upholding the edifice of law and order cannot be but unfortunate for citizens. Lawyers on strike locked the doors of important district

courts in the city while hundreds stayed away from four other courts, inconveniencing litigants. The performance of the police has been equally shameful on several occasions. Three years ago, large segments of the force watched as lawyers beat up university students, teachers as well as journalists. There should be an immediate and impartial inquiry into the allegations and counter-charges to establish the truth of the matter in this instance. The guilty, on either side, should be penalised so as to discourage such imperialism in the future. An immediate remedy is the only way to redeem the sorry image of the minders of the law.

The Telegraph, November 8

Laxity on stubble burning

Judicious long-term solutions needed

The Centre and the states have again been caught napping on the seasonal scourge of stubble burning, forcing the Supreme Court to raise the fire alarm. In a blistering attack on the government machinery, the court has stated that top-level officers “sit in their ivory towers and let people die”. The dressing-down by the SC has, as expected, roused the powers that be into action, with PM Narendra Modi directing the agriculture ministry to give priority to farmers of Uttar Pradesh, Punjab and Haryana in distributing equipment to prevent straw fires. Under the judicial scanner, the governments are going all out to show how serious they are on this burning issue.

The Central and state governments have miserably failed to dissuade farmers from setting stubble ablaze. The machinery for crop residue management is either in short supply or is not reaching the intended beneficiaries. A judicious mix of solutions, incentives and regulation, executed in a planned manner, rather than a quick-fix aimed at pacifying the court is the way forward. The nation owes its food security to the farmers. Branding them as criminals or offenders without giving them adequate support to stop eco-unfriendly practices reeks of ingratitude and indifference.

The Tribune, November 8

Opinion

SUNDAY, NOVEMBER 10, 2019

EUGENE LINDEN

FOR DECADES, MOST scientists saw climate change as a distant prospect. We now know that thinking was wrong. This summer, for instance, a heat wave in Europe penetrated the Arctic, pushing temperatures into the 80s across much of the Far North and, according to the Belgian climate scientist Xavier Fettweis, melting some 40 billion tons of Greenland's ice sheet. Had a scientist in the early 1990s suggested that within 25 years a single heat wave would measurably raise sea levels, at an estimated two one-hundredths of an inch, bake the Arctic and produce Sahara-like temperatures in Paris and Berlin, the prediction would have been dismissed as alarmist. But many worst-case scenarios from that time are now realities.

Science is a process of discovery. It can move slowly as the pieces of a puzzle fall together and scientists refine their investigative tools. But in the case of climate, this deliberation has been accompanied by inertia born of bureaucratic caution and politics. A recent essay in *Scientific American* argued that scientists "tend to underestimate the severity of threats and the rapidity with which they might unfold" and said one of the reasons was "the perceived need for consensus." This has had severe consequences, diluting what should have been a sense of urgency and vastly understating the looming costs of adaptation and dislocation as the planet continues to warm.

In 1990, the Intergovernmental Panel on Climate Change, the United Nations group of thousands of scientists representing 195 countries, said in its first report that climate change would arrive at a stately pace, that the methane-laden Arctic permafrost was not in danger of thawing, and that the Antarctic ice sheets were stable. Relying on the climate change panel's assessment, economists estimated that the economic hit would be small, providing further ammunition against an aggressive approach to reducing emissions and to building resilience to climate change. As we now know, all of those predictions turned out to be completely wrong. Which makes you wonder whether the projected risks of further warming, dire as they are, might still be understated. How bad will things get?

So far, the costs of underestimation have been enormous. New York City's subway system did not flood in its first 108 years, but Hurricane Sandy's 2012 storm surge caused nearly \$5 billion in water damage, much of which is still not repaired. In 2017, Hurricane Harvey gave Houston and the surrounding region a \$125 billion lesson about the costs of misjudging the potential for floods.

The climate change panel seems finally to have caught up with the gravity of the climate crisis. Last year, the organisation detailed the extraordinary difficulty of limiting warming to 2.7 degrees Fahrenheit (1.5 degrees Celsius), over the next 80 years, and the grim consequences that will result even if that goal is met.

More likely, a separate United Nations report concluded, we are headed for warming of at least 5.4 degrees Fahrenheit. That will come with almost unimaginable damage to economies and ecosystems. Unfortunately, this dose of reality arrives more than 30 years after human-caused climate change became a mainstream issue. The word "upended" does not do justice to the revolution in climate science wrought by the discovery of sudden climate change.

Climate change misinterpreted

Scientists tend to underestimate the severity of threats. Few thought it would arrive so quickly. Now we're facing consequences



Flooded roads in Beaumont, Texas, after Hurricane Harvey in 2017

THE NEW YORK TIMES

The realisation that the global climate can swing between warm and cold periods in a matter of decades or even less came as a profound shock to scientists who thought those shifts took hundreds if not thousands of years. Scientists knew major volcanic eruptions or asteroid strikes could affect climate rapidly, but such occurrences were uncommon and unpredictable.

Were the ice sheets of Greenland and Antarctica to melt, sea levels would rise by an estimated 225 feet worldwide. Few expect that to happen anytime soon. But those ice sheets now look a lot more fragile than they did to the climate change panel in 1995, when it said that little change was expected over the next hundred years.

In the years since, data has shown that both Greenland and Antarctica have been shedding ice far more rapidly than anticipated. By 2014, a number of scientists had concluded that an irreversible collapse of the West Antarctic ice sheet had already begun, and computer modelling in 2016 indicated that its disintegration in concert with other melting could raise sea levels up to six feet by 2100, about twice the increase described as a possible worst-case scenario just three years earlier. Then this year, a review of 40 years of satellite images suggested that the East Antarctic ice sheet,

which was thought to be relatively stable, may also be shedding vast amounts of ice.

As the seas rise, they are also warming at a pace unanticipated as recently as five years ago. For one thing, a warmer ocean means more powerful storms, and die-offs of marine life, but it also suggests that the planet is more sensitive to increased carbon dioxide emissions than previously thought. The melting of permafrost has also defied expectations. This is ground that has remained frozen for at least two consecutive years and covers around a quarter of the exposed land mass of the Northern Hemisphere. As recently as 1995, it was thought to be stable. But by 2005, the National Center for Atmospheric Research estimated that up to 90% of the Northern Hemisphere's topmost layer of permafrost could thaw by 2100, releasing vast amounts of carbon dioxide and methane into the atmosphere.

For all of the missed predictions, changes in the weather are confirming earlier expectations that a warming globe would be accompanied by an increase in the frequency and severity of extreme weather. And there are new findings unforeseen by early studies, such as the extremely rapid intensification of storms, as on Sept. 1, when Hurricane Dorian's sustained winds intensified from 150 to

185 miles per hour in just nine hours, and last year when Hurricane Michael grew from tropical depression to major hurricane in just two days. If the Trump administration has its way, even the revised worst-case scenarios may turn out to be too rosy. In August, the administration announced a plan to roll back regulations intended to limit methane emissions resulting from oil and gas exploration, despite opposition from some of the largest companies subject to those regulations. Also its actions approached the surreal as the justice department opened an antitrust investigation into those auto companies that have agreed in principle to abide by higher gas mileage standards required by California. The administration also formally revoked a waiver allowing California to set stricter limits on tailpipe emissions than the federal government.

Even if scientists end up having labelled their latest assessments of the consequences of the greenhouse gases we continue to emit into the atmosphere, their predictions are dire enough. But the Trump administration has made its posture toward climate change abundantly clear: Bring it on! It's already here. And it is going to get worse.

—NYT


INSIDE TRACK

COOMI KAPOOR

JNU escape artistes

The fact that Nobel prize winner Abhijit Banerjee was imprisoned in 1983 in Tihar for 12 days for participating in a *dharma* against the then JNU vice-chancellor has evoked interest. Sunil Gupta, the former legal adviser for Tihar Jail, in his new book, *Black Warrant*, provides an interesting postscript to the tale. Some 250 JNU students were arrested for arson and rioting, but amazingly, 170 students, including 55 women, managed to escape right under the noses of the jailors. A large number of visitors met the students on their first day in jail. In those days Tihar visitors were identified simply by a stamp on their wrists. The students took advantage of the hot and sweaty weather in May to transfer the stamp image from one wrist to another. The bumbling jail authorities did not notice that three times the number of visitors left the jail as had entered. They also discovered belatedly that the arrested students had all given fake names and police never bothered to verify their identities. So the escapees could not be traced. Incidentally, finance minister Nirmala Sitharaman was then a member of the Free Thinkers group, one of the two student bodies which organised the protest.

Crumbling house

The government's decision to convert the historic Parliament House, built in 1927, into a museum is not without reason. Signs of ageing of the iconic circular structure have been apparent for some time. In the 1990s, when Najma Heptulla was the deputy chairperson of the Rajya Sabha, a terrible stench sometimes pervaded the House. Eventually the drainpipes under the floor had to be dug up and diverted. During PV Narasimha Rao's tenure as prime minister, there was pandemonium in the Lok Sabha one day when a piece of cement fell off the roof. To keep away pigeons that regularly perched and cooed in the Lok Sabha's high ceiling, a large net was installed under the dome. Later, the windows of the dome were permanently shut to keep the birds out. Since a major gas fire in the kitchen, cooking in the heritage building has been forbidden. Food is now brought from outside and warmed on electric heaters. Thankfully the parliamentary staff seems to have successfully tackled the monkey menace. There was a time when simians roamed the circular verandahs.

Daunting task

The Jal Jeevan Mission under the Ministry of Jal Shakti is envisaged to achieve for Narendra Modi's second tenure what the Swachh Abhiyan campaign did for his first. The mission's budget is a whopping \$51

billion and the goal is set very high. At present only 18% of rural households have tap water connection and the aim is to provide the entire country safe drinking water. PM Modi hopes to replicate the success of WASMO (the Water and Sanitation Management Organisation), which he established in Gujarat in 2007 as chief minister. Today, 78% of rural households in Gujarat get water supply through taps. Modi has ensured that those recruited for the water ministry have domain knowledge. Secretary Parameswaran Iyer has focused on projects concerning water and sanitation through most of his career, including in the Swachh Bharat Mission. Additional Secretary Bharat Lal is usually associated with his tenure as resident commissioner, Gujarat, and as joint secretary in Rashtrapati Bhavan, but he has worked earlier both with water projects in the rural development ministry and with WASMO in Gujarat.

Not so meek

N C Saxena, who was a member of the National Advisory Council (NAC) during UPA time, in his recent book, *What Ails the IAS*, suggests that Manmohan Singh as prime minister did not follow Congress president Sonia Gandhi's writ unquestioningly, as has been alleged. He notes that Singh and his adviser, Montek Ahluwalia, often differed with Gandhi, who chaired the NAC. The PM was not in favour of safety net programmes such as NREGA, for example, writes Saxena. Significantly, the NAC was not reconstituted immediately after the Congress returned to power in 2009 and, according to the book, Singh reluctantly revived it in March 2010. The Food Security Bill was delayed for two years by the then PM and the Act finally passed with modifications because of pressure from Gandhi, it adds. Saxena also points out that Singh did not renew the membership of three NAC members, including the outspoken Harsh Mander, in 2012 even though Gandhi herself acknowledged their valuable contributions.

Faces to remember

Well-known artist and Trinamool Congress Rajya Sabha MP Jogen Chowdhury, whose term expires next March, has put his years in Parliament to good use. He has sketched the faces of many colleagues in the House over the years, including Manmohan Singh, Smriti Irani, Sitaram Yechury, Amit Shah, Gulam Nabi Azad and the late Arun Jaitley and Sushma Swaraj. The artist plans to compile his parliamentary sketches for a book. Chowdhury describes his experience as an MP as, "invaluable for an artist. It was like watching different characters on a stage".

Welcome to pink (SG)!

Ganguly has maintained that, albeit scepticism, day-night Test cricket is the way forward

RINGSIDE VIEW

Shamik Chakrabarty

KERRY PACKER'S WORLD Series Cricket came at a time when change had become the need of the hour. The late Australian media tycoon had the far-sight and intelligence to catch the winds of change. Christopher Martin-Jenkins, a doyen of cricket reporting and broadcasting, had described the game under lights, with a white ball and the players wearing coloured clothing as 'pyjama cricket'. The great John Arlott had called it a 'circus'. At the end, Packer was the winner. He revolutionised limited-overs cricket. White-ball cricket under lights gradually became the mainstream in the short-form.

Unlike golf, tennis or hockey, cricket usually is slow to accept a departure from tradition. Purists still take T20 cricket with a pinch of salt, its great success notwithstanding. And given that Test cricket still remains the ultimate—for the right reasons—to the players

and connoisseurs alike, it's natural that pink-ball, day-night Tests are viewed with scepticism by many. Former India captain Bishan Singh Bedi, for example, is not against pink-ball Test cricket. But as his tweet suggests, he is probably against its proliferation.

"Much as we admire @SGanguly99's hurry n 10 months as BCCI chief-but am not v convinced if 'Pink' is the only road ahead-#Dada cn do well to resurrect Ranji/Duleep & put everything into 'marketing' Test Crkt!" Bedi had tweeted after Sourav Ganguly became the BCCI president and ensured that the upcoming second Test between India and Bangladesh at Eden Gardens from November 22 would be a day-night affair.

Last year, with the Indian cricket board being helmed by the Committee of Administrators (CoA), the Indian cricket team reportedly declined twice to play day-night Tests—first against the West Indies at Rajkot followed by the series opener against Australia at Adelaide. Ganguly settled the matter in just one meeting with Virat Kohli. According to the BCCI president, the India captain took just three seconds to agree.



Last year, the Indian cricket team reportedly declined twice to play day-night Tests, a matter which Sourav Ganguly settled in one meeting with Virat Kohli

"I don't know what's the reason they didn't want to play (Adelaide day-night Test). I met Virat, met him for an hour and the first question was that we need to have day-night Test cricket. The answer in three seconds was, 'yes let's go ahead and do it'. So I really don't

know what's happened in the past. What's the reason and who was involved in the decision. But I found him absolutely acceptable to play day-night Test matches. He realises I think that empty stands in Test matches is not the right way forward," Ganguly

told the audience during a promotional event in Kolkata last week.

Ganguly has always maintained that day-night Test cricket is the way forward, given the dwindling stadium attendance in the long-form—the spectator response for the three home Tests against South Africa had been dismal. In this day and age, it's difficult for the fans to throng the stadiums on working days and stay put for seven hours to watch a game of cricket. Yes, day-night Test is the way forward but like the Packer revolution, this, too, needs time to become the traditional, day version's replacement.

To start with, a lot of technical issues are involved. Pink-ball, day-night Test cricket tilts the balance significantly in favour of the fast bowlers. Cricket has always been a batsman's game. So once again, there's a departure from the norm. A substantial amount of grass is needed on the pitch to help the pink ball retain its colour. An extra coat of lacquer allows the pink ball to swing more than its red counterpart. And then, there's the 'twilight zone', when the ball moves even more because the air just above the pitch becomes more stable, and as dusk melts into evening and floodlights take over, players find it difficult to pick the ball. Also, and this is very important, the pink-ball hasn't yet passed the test with regards to its longevity—whether it can overcome

the dew factor and stand for 80 overs, when the second new ball becomes available. For the first time, a day-night Test is going to be played in full winter and the degree of difficulty will be higher.

The pink Kookaburra, tried out in the Duleep Trophy, had received negative feedbacks from the players. The Eden Test will be played with the SG pink and although the ball manufacturer is very confident, we should keep our fingers crossed. The pink-ball manufacturing technology is still a work in progress and further improvement is required before any attempt to proliferate day-night Tests is made. Till then, it can stay as an exciting diversion—one pink-ball Test in every series. Yes, the cricketers will have to adapt, but for far too long the sport has ignored its biggest stakeholders—fans. Day-night Test cricket allows fans to turn up at the ground during their free time. That has to be the top priority.

Day-night Test cricket is certainly a way forward in terms of bringing the crowd back to the stands. The game's purest format also badly requires hard-selling, which at the moment is virtually non-existent. And as Kohli has proposed, India should have "five strong Test centres"; elite venues where a strong section of fans still covets the long-form. Rotation can happen for limited-overs internationals and the IPL matches.



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RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

INDIA, A TEMPLE, AND A MOSQUE

All parties must respect, abide by SC verdict on Ayodhya. BJP, in power, has an added responsibility: Make it about future, not past

AS THE RAMJANMABHOOMI-BABRI Masjid title suit in Ayodhya dragged on for over seven decades, it became clear that, in the end, it would have to be settled in court, resolution would have to come within the ambit of law and the Constitution. Politics had, far from facilitating any meaningful give and take, only deepened the polarisation. And mediation efforts outside the court had invited charges of bad faith. Closure would have to come, it became evident, not by the brute calculations of majority and minority, nor by taking the legislative route, but by invoking a higher principle. A solution would have to be situated in justice and due process, and all parties would have to respect and abide by it.

The Supreme Court verdict on Saturday, November 9, which recognises the Hindu claim over the disputed land, while directing the building of a mosque on a suitable plot elsewhere in Ayodhya, meets that promise, by and large. The unanimity of the five-judge Constitutional bench led by Chief Justice Ranjan Gogoi is not an incidental artefact of the ruling — it is part of its essence. In the aftermath, it instantly lowers temperatures. And going ahead, it creates crucial room for all political players to speak to their constituencies.

But of course, even a unanimous verdict sparks questions. In a democracy, on a dispute as tangled and resonant with claims, complexities and ambiguities as Ayodhya, a tidy closure will always elude.

Admittedly, the nature of the task before the court was almost impossibly fraught and, to its great credit, it has tried to find a balance between pronouncing on a matter that involves faith, belief, contested history and bringing into play settled principles of evidence sustainable in law. It has recognised the Hindu claim over the disputed site because of the existence not merely of faith and belief but of “actual worship down the centuries”. Crucially, however, the court has also acknowledged that the damage to the mosque in communal conflict in 1934, its desecration in when idols were installed on the pulpit below the central dome, and its destruction in 1992, “constituted a serious violation of the rule of law”. Under exercise of its powers under Article 142 of the Constitution to do “complete justice”, the court has, therefore, directed that 5 acres be handed to the Sunni Waqf Board by the Central government out of the acquired land, or by the UP government within the city of Ayodhya, simultaneous to the handing over of the disputed site to a trust.

The court prefaces its verdict by saying it has been “tasked with the resolution of a dispute whose origins are as old as the idea of India itself.” It unambiguously underlines that “title cannot be established on the basis of faith and belief.” But after invoking the Constitution and constitutional values of justice, fraternity, human dignity and equality of religious belief, the final settlement it makes is of a bare title suit. This raises a question: Could the act of judgment have been more an act of imagination of a more equal justice? Could it be that the Allahabad HC order of a three-way ownership of the disputed land offered a cue?

These questions have no immediate answers. But one thing is clear. The Supreme Court verdict must now be taken forward and built upon by all stakeholders. In his address to the nation, Prime Minister Narendra Modi has spoken of a new resolve, a new dawn, of the need for India to leave behind past bitterness. The Opposition parties have signalled their acceptance of the verdict. There are signs of ferment among Muslim groups, with the IUML backing the ruling, but the Muslim Law Board expressing dissatisfaction. It is the right of the Muslim side of the dispute to ask for a review, but that decision must be taken calmly, wisely.

For the politics of secularism, the verdict brings the promise of freedom — from the burdens and dead-ends of a congealed dispute. It is now faced with the task of renewal — to find a new vocabulary, and to fill it with new issues and meanings. For the BJP, too, which used the Ramjanmabhoomi dispute and the demolition of the Babri masjid to propel itself to relevance and power, this is a moment of challenge: At a time when the judicial clearing of the path to the temple helps it to claim political vindication, as the ruling party at the Centre and a majority of states, in a country where almost half of the population was born after 1992, it needs to make the Ayodhya verdict more about the future, less about the past.

Ram’s political triumph

The reconfiguration of Hinduism, where political rather than spiritual forces represent it, is now complete



PRATAP BHANU MEHTA

THE BIRTH OF the Ramayana, as we know it, is in an act of grief. A *nishada* hunter strikes down the male of a pair of *krauncha* birds. The unslain female bird utters a mournful cry. Unable to bear the separation, she too dies. This primal scene of crime, and the anguish it generates, prompts Valmiki to compose the Ramayana. But the deep sorrow of that crime haunts the story. Ram has his triumphal moments — vanquishing Ravana, establishing Ram Rajya. Ram always sides with duty, some exalted high ideal that makes his own desires irrelevant. That is his greatness. But there is also no escaping the fact that Ram himself never finds inner repose. His deepest moments of anguish arise precisely when he acts as a sovereign, overcoming his natural *karuna*, sidelining it for some kingly duty. It is almost as if his most political acts, the banishment of Sita, is contrary to his own nature. It is when Ram acts as a political agent, that his torment is most pronounced. His political acts, sometimes, make him guilty of wrongdoing. He is saved, if at all, only by the forgiveness of Sita as Bhavabhuti perceptively noted. It is Ram in the end who is most in need of *karuna*. The fact that Ram politically triumphs is not always the moment that he is morally redeemed, or made whole.

So Ram has triumphed politically. The Supreme Court has declared that he, in his incarnate form, has sovereign rights to 2.77 acres of disputed land. Any other claimants to the land, especially the waqf board, cannot claim adverse possession to the land. The sovereignty of Ram’s empire over the hearts and minds of Hindus has been resoundingly affirmed. He is an object of worship, a locus of faith whose importance cannot be denied. He has politically triumphed over all the deniers: Those who denied he existed, and those who denied that there was an attempt to erase his tem-

ples. He has triumphed because a way has been cleared for the central government to manage Ram’s land, to create a grand structure to mark his divinity. His sovereignty, and our faith in him, can now be affirmed in legalese, and etched in stone.

The Supreme Court had a difficult job on its hands. It is a reflection on the state of India’s politics that the idea that the pre-1991 status quo ante would be restored was ruled out right from the start. It is hard to imagine what Indian politics would be like if the Court had asked for the restoration of the Babri Masjid. So, the only two other options were a victory for the Hindu side, or some imaginative solution that did equal justice to all kinds of claims involved in this dispute. The Allahabad High Court judgment, flawed as it was, was very explicitly a balancing act: Divide the property, respect all faiths, and put the past behind us. In some ways, this judgment has gone for a corner solution. It does say, none of the claimants can prove adverse possession; it does recognise that the demolition of the Babri Masjid was an act of political vandalism. It provides compensatory relief for the waqf board. But in its operative part, this judgment is the opposite of the Allahabad High Court — no division of property; one faith nominally given priority over another, and an affirmation that long-gone historical wrongs can continue to be the basis of new legal claims.

But will this moment of political triumph solve Ram’s inner torment? Or will it only exacerbate it? We hope that the judgment, right or wrong, will depoliticise the issue. It has been settled. Let us move on. This would be the best option, a chance for Indian secularism to get a fresh start. But there are reasons to be nervous on three fronts: Psychological, institutional and politi-



CR Sasikumar

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the state is the medium through which Hindu sovereignty is now being exercised. The political reconfiguration of Hinduism, where political rather than spiritual forces now represent it, is now complete.

We all ardently wish that India moves on. The settlement should take the issue, and all allied psychological complexes of Hindu subjugation off the table. But here is an outlandish thought. A government trust will now determine how worship at the site will be materialised. Is it just possible that instead of a triumphal monument to Ram’s political glory — for this is all that the temple will be under present circumstances — can we build something genuinely congruent with Ram’s greatness? Something that marks a new kind of holiness not predicated on the revenge of history or the narcissism of group identities? Can we create a new liturgy that is genuinely inclusive of all religions, and looks to dawns of the future rather than glories of the past? What this might be can be left to more imaginative minds to devise. But such a gesture would be, in the face of this legal triumph, an even more poignant way to move on. It will save both secularism from identification with majoritarianism and Hinduism from identification with a prideful communal identity. The Court decision does not foreclose this option, and it would be entirely in keeping with Ram’s *karuna*. No one disputed Ram. But making the fate of 2.77 acres of land a litmus test of respect for Ram, and for the fate of a civilisation, was an act of vandalism on Hinduism as well. Ram’s political triumph should not leave him, like in Valmiki’s Ramayana, with an inner torment, at war with his better more compassionate self.

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PEACE AND A TEMPLE

The Ram temple struggle is over, let’s hope for harmony for all now



RAM MADHAV

THE RAM TEMPLE at Ayodhya will soon be a reality, now that the legal hurdles have been removed by the Supreme Court.

Symbols of vandalism and iconoclasm at the most sacred places of Hindus, like Ayodhya, have been very big sources of embarrassment as the sentiments associated with such places are quite deep-rooted. It is not just about a temple or a mosque. There are any number of thriving mosques in the country. There are more than a hundred mosques in the vicinity of Ayodhya, many of them unkept. It is about the renewed sense of assertion of a nation.

Historian Arnold Toynbee talks about it in the context of a church in Warsaw pulled down by the Poles. “In the course of the first Russian occupation of Warsaw (1914-1915) the Russians had built an Eastern Orthodox Christian cathedral on this central spot in the city that had been the capital of the once independent Roman Catholic

Christian country Poland. The Russians had done this to give the Poles a continuous ocular demonstration that the Russians were their masters. After re-establishment of Poland’s independence in 1918, the Poles pulled this cathedral down... I do not greatly blame the Polish government for having pulled down that Russian church. The purpose for which the Russians had built it had been not religious but political, and the purpose had also been intentionally offensive”. Toynbee said.

“Perhaps the Poles were really kinder in destroying the Russians’ self-discrediting monument in Warsaw,” he added. The Muslims should look at Ayodhya probably from the same perspective. They are saved by the Supreme Court from the embarrassment of defending the indefensible in the name of religion. It might be instructive for them to remember that Islam came to India from West Asia not just riding over the shoulders of invaders like Mahmud of Ghazni

and Babur, but also through Sufi saints of the 13th century like Hazrat Khwaja Moinuddin Chishti, who came to spread the message of love and harmony. Ajmer Sharif is a standing testimony to the fact that India is an inclusive and pluralist civilisation where all religions thrive.

Hindus too would be making a mistake if they look at Ayodhya from a religious prism or from the prism of “avenging historical wrongs”. Leaders of the Ram Janmabhoomi movement as well as the other Hindu organisations have also stressed upon it in their statements after the verdict. A similar historic event happened about 70 years ago: The Somnath temple, destroyed by Ghazni several centuries before the arrival of Mughal invaders, was rebuilt in 1950. The then president of India, Rajendra Prasad, had said, “By rising from its ashes again, this temple... will proclaim to the world that no man and no power in the world can destroy that for which people have boundless faith...

Our only aim is to proclaim anew our attachment to the faith, convictions and values on which our religion has rested since immemorial ages.”

Ram Janmabhoomi is about those values. Together, with a magnificent Ram temple at Ayodhya, shall rise a nation imbued with those values that Mahatma Gandhi, whose 150th birth anniversary we are celebrating, used to describe Ram Rajya. Ram epitomised values like respect, love and dignity. These values are not reserved for Ram’s own people alone, but everyone including the enemies. When he encountered Ravana on the battlefield, he was said to have bowed to him in respect before aiming at him. For him, material wealth alone was not the ultimate goal in life. “Even if Lanka were to be a kingdom of gold, I shall consider my mother and motherland to be superior to it,” he declared.

There were very few intellectuals appreciating the deeper message of the Ram Janmabhoomi movement in

the 1990s, when it was at its peak, except for Girilal Jain, Arun Shourie, and a handful of others. The larger liberal intellectual establishment of the country was ferociously anti-temple, forcing Nobel laureate VS Naipaul to comment in an interview that, “It is not enough to abuse them or to use that fashionable word from Europe: Fascism. There is a big historical development going on in India. Wise men should understand it. Rather, they should use it for intellectual transformation of India.”

It was a long struggle that has finally seen its culmination today. Swami Chinmayananda, eminent spiritual guru, used to say: “This whole fight for Ayodhya is for ‘Ayuddha’ - non-war”. Let us hope that with the rise of the Ram temple, this country shall see lasting peace and harmony.

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FAITH WINS OVER LAW

The Ayodhya judgment is a setback to evidence law with differential burden of proof being demanded from different parties



FAIZAN MUSTAFA AND AYMEN MOHAMMED

THE SUPREME COURT has tried to please everyone in its much awaited judgment on the property dispute in Ayodhya. The worshippers of Lord Ram have been given land for the construction of a temple at the very site where the Babri Masjid stood between 1528 and December 6, 1992.

The Nirmohi Akhara has welcomed the judgment as it will be given some representation in the trust that would construct the temple. The Sunni Waqf Board too must have the satisfaction that the highest court has accepted their central argument that the Babri Masjid was a Sunni, and not Shia, waqf property, and the same was not constructed after demolishing the Ram temple. Thus, the court has rejected the Hindu right’s narrative on the Babri mosque. This false narrative not only was responsible for galvanising the ordinary Hindus, but also gave

some sort of legitimacy to divisive electoral politics. Similarly, Muslim grievances about the trespass in 1949 and the tragic demolition of the mosque in 1992 have been accepted by the court. In fact, the court has accepted that there was an injury caused to them — i.e. violation of their legal right. Accordingly, the court, invoking its extraordinary jurisdiction of doing complete justice, has given them almost double the land in Ayodhya.

The Ayodhya dispute did not begin in 1528 with Babur, the founder of Mughal empire, but in 1886 with litigation in the British courts over a *chabutra* (courtyard) that was constructed outside the Babri Masjid by one Mahant Raghubar Das in the late 1850s. When the British prevented the construction of a canopy over the *chabutra*, Das unsuccessfully litigated his cause in three judicial forums. Each

time, the courts emphasised status quo — that is, the Muslims would pray inside the Babri Masjid while the Hindus had limited rights to pray at the *chabutra*. Surprisingly, the apex court has rejected title of Muslims for want of proof of title document. This may have repercussions for several temples and mosques. The court rejected the revenue record and gazetteers as sufficient proof. Even the British grant papers were said to be sufficient only for proving the upkeep of the mosque.

In law, the phrase “status quo” means the situation at the time of the judgment must not be changed. The Babri litigation is a story of changing “status quo”. On the night of December 22-23, 1949, trespassers placed Lord Ram’s idol under the central dome of the Babri Masjid. In a few days after the incident, a new status quo would be sanctified by the local

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courts: Muslims were not allowed to pray inside the mosque, the idol would not be removed, and that Hindus would have a “limited” right to pray and pujaris would ensure daily *bhog*. By one act of criminal trespass, a mosque was converted into a temple.

On February 1, 1986, District Judge K M Pandey would order the unlocking of gates that acted as a “barrier” between the idols inside the masjid and the devotees who had come for the darshan. This decision had the blessing of then Prime Minister Rajiv Gandhi, who in order to mollify the self-anointed regressive Muslim leadership would subsequently introduce the bill to reverse the Shah Bano judgment on February 25, 1986.

The demolition of the mosque on December 6, 1992 was also the destruction of the rule of law. The SC has rightly criticised it and accepted that

it was in violation of the “status quo” order passed by it. Within a few hours of the mosque’s demolition, a makeshift temple had come up at the structure’s location. Within a month of the demolition, the Allahabad High Court allowed for darshan at the makeshift temple. In 1994, the Supreme Court, while dealing with the Acquisition of Certain Areas of Ayodhya Act, ordered the protection of the latest “status quo”: No mosque but a makeshift temple and legally protected darshan at the site.

In 2010, the Lucknow bench of Allahabad High Court ruled that the title suit must be decided as a question of joint-ownership of property. Muslims, the deity Ram Lalla and Nirmohi Akhara were to get one-third share of the disputed property. The Supreme Court has overruled this judgment and rightly held that it was

not a partition suit.

The judgment will be remembered for the victory of faith over the rule of law as the Supreme Court considered religious beliefs even in deciding a property dispute, and despite conceding that faith cannot confer title, it still went ahead to give property to worshippers on the basis of faith. The court should not have any say in matters of freedom of religion, but deciding title suit on the basis of faith is a thorny proposition. In brief, it is the red letter day for the constitutional right to religion but a setback to property law and a setback to evidence law with differential burden of proof being demanded from different parties.

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