

CHATTERBOX

Position vacant

Is the Tamil Nadu unit of the Bharatiya Janata Party (BJP) going to get a chief anytime soon? Or is the state so unimportant to the party that it really doesn't matter whether there is a chief in place or not? The position has been vacant since Tamilisai Soundararajan was appointed governor of Telangana in September. Former Union minister and the BJP's former chief of the Tamil Nadu unit, Pon Radhakrishnan and BJP state unit's vice president and former state minister Nainar Nagenthiran flew to Delhi last week to hold consultations after they were summoned. From reports in local media, it seems that instead of having one president, the party might decide to have four working presidents who will be responsible for four regions in the state to beef up the BJP's prospects. The party's vice-president, B T Arasakumar, (one of many vice presidents) who earned the wrath of the leadership for praising M K Stalin's leadership skills earlier this month, joined the Dravida Munnetra Kazhagam (DMK) last week.

Problem of plenty

And if the BJP's Tamil Nadu unit is headless, the Congress seems to have many generals and no soldiers. The party's Bihar unit, for instance, not only has a President but four working presidents. The Chhattisgarh unit has a president and a working president (which begs the question as to what the president actually does, if it is the working president who does all the work). The Delhi unit has a president and three working presidents. The Gujarat unit has a president and two working presidents. And the Jharkhand unit has a president and five working presidents. Amazing!

DID THEY REALLY SAY THAT?



*"It is a witch hunt. It is a sham. It is a hoax. Nothing was done wrong. Zero was done wrong. I think it is a horrible thing to be using the tool of impeachment, which is supposed to be used in an emergency. And it would seem many, many, many years apart"*

US President Donald Trump after the impeachment against him moved to the House of Representatives, December 13

CHECKLIST THE COMPLEXITIES OF THE CITIZENSHIP AMENDMENT BILL

- Chairman, North East Students Organisation, Samuel Jyrwa: "We have already been facing a problem of illegal migration from Bangladesh in border states like Meghalaya, Assam and Tripura. Now instead of protecting us, they want to legalise all these infiltrators."
- Kabindra Chetia Phukan, president of Veer Lachit Sena Assam: "If this entire fiasco ends up hurting the rights of the indigenous people, we will intensify our protests. We are ready to appeal in the Supreme Court also."
- Lalmachhuana, vice president of Young Mizo Association (YMA): "We were primarily against CAB but since Mizoram has been kept out, we're fine with it."
- Hawa Bagang, president of All Arunachal Pradesh Students Union: "We are happy with the exemption to Inner Line Permit (ILP) states, but we are obligated to oppose it as we

- are part of NESO".
- Ninoto Awomi, president of Naga Students Federation: "Even if a small portion in the northeast comes under the bill, the entire region will be affected because of our porous borders,"
- Ningthouja Lancha of Manipur People Against Citizenship Amendment Bill: "It is a misunderstanding to think that ILP will protect influx of foreigners. If that was the case, why do we have a Chakma Autonomous Council in Mizoram?" (referring to Chakma refugees from Bangladesh living in the region for decades.)
- Baichung Bhutia, Hamro Sikkim Party: "We are very close to Bangladesh and there are a lot of issues in Bengal and other Northeast states. So in the long run even Sikkim can get affected. We do not support CAB"



OPINION

P CHIDAMBARAM

We are wrecking the Constitution from within

Sir, I will take less than ten minutes. My colleague, Mr. Sibal, will take the rest of the time. We have a Citizenship Act in this country. It recognises citizenship by birth, citizenship by descent, citizenship by registration, citizenship by naturalisation and citizenship by incorporation of territory. These are universal principles.

Now, this Government is introducing a new category called 'citizenship by arbitrary executive fiat' and asking this Parliament to support the Government in passing what is patently an unconstitutional law. My friends have spoken about it; others will speak about it. We are elected representatives of the people. The Constitution has asked us, in the first instance, to judge the constitutionality of a Bill. We cannot pronounce on the constitutionality. But, we have a responsibility to pass what is constitutional. Not all of us are lawyers. In fact, not all of us should be lawyers. We should be from every walk of life. And, from every walk of life, we must bring our collective wisdom and commonsense to say is this constitutional or not. What are we doing in this House? What we did in the other House and what we are doing in this House is abdicating our primary responsibility in favour of another of the three entities/end organs of the Constitution. What we are doing is: You are pushing the issue to the lap of the Judges. Do you think it will stop here? It will not stop here. It will eventually go before the Judges. And, the Judges are respectable people. But, they are unelected Judges. Unelected Judges and unelected lawyers will ultimately decide what we do is constitutional or not! This is a slap on the face of Parliament. Parliamentarians are being asked to do something unconstitutional and then the baby is passed on to the judiciary and, in the judiciary, lawyers and Judges will decide what you have done is constitutional or not. Knowing this is unconstitutional, I am afraid, this Government is ramming

**The Constitution has asked us, in the first instance, to judge the constitutionality of a Bill. We cannot pronounce on the constitutionality. But, we have a responsibility to pass what is constitutional**

through this Bill in order to advance its Hindutva agenda. This is a sad day. Thankfully, we are not amending the Constitution; we are only making a law. And, I am absolutely confident and I am absolutely clear in my mind that this law will be struck off.

Sir, I have a few questions and I wanted to know who in the Government found answers to these questions. If the Law Department has advised answers

to these questions, please ask the hon. Home Minister to lay the opinion of the Law Ministry on the Table of the House. If it is a Home Ministry itself, in its wisdom, found answers to questions, let us see the final note placed by the Secretary before the hon. Home Minister. If it is the Attorney General who has been consulted – the Constitution has a provision to invite the Attorney General – please call the Attorney General to this House. We will ask him these questions. But, somebody has to take responsibility for answers to these questions.

These questions are well-known. Let me read it very rapidly. How do you group three countries – Afghanistan, Pakistan and Bangladesh – and leave out the other neighbours? How do you identify only six religious groups – Hindu, Sikh, Buddhist, Jain, Parsi and Christian – and leave out others like Ahmadis, Hazaras and Rohingyas?

Ibrahamic religions are three – Christianity, Judaism and Islam. Why have you included Christianity and left the other two? Why have you excluded Sri Lankan Hindus and Bhutan's Christians? Look at the exclusionary, inclusionary hyphenation. Sri Lanka is excluded, Hindus are included! Bhutan is excluded, Christians are included! When you hyphenate the effectives, Sri Lankan Hindus are excluded, Bhutan's Christians are excluded. This exclusionary, inclusionary hyphenation is beyond commonsense and logic. Why only religious persecution? Are people not persecuted for political reasons? Are people not persecuted on linguistic grounds? Are people not persecuted by unleashing internal wars against them? Why only religious persecution? Why not every kind of persecution?

Six, does or does not the Bill violate the three fundamental elements of Article 14 of the Constitution? First, equality before law; unequals cannot be treated as equals. Second, unreasonable or irrational classification. And, there is a third element, which most people forget, Judge-made laws are the third element. Even if unequals are not treated as equals or equals are treated unequally, even if the classification is reasonable, it can be struck down on the ground that it is arbitrary. Arbitrariness is writ large on the face of this Bill.

Now, I want to know who will give answer to these questions. Please let us have the answers. Why are Parliamentarians being told that you will not give answers to these questions and they can go to court and find answers? Let's have answers to the questions. Let somebody take responsibility for answers saying, "Yes, the Attorney General of India has answered these questions. These are our answers and, therefore, this Bill is here".

I dare the Government to lay the opinion of the Law Department; I dare the Government to invite the Attorney General to this House to answer our questions. So, what we are doing today is wrecking the Constitution from within. A small part of the Constitution is sought to be wrecked and demolished by this insidious Bill. Fortunately, we are three organs of the State. The Executive is complicit; the Legislature is being invited to collaborate; hopefully, the Judiciary will strike it down and will save India. December.

*Edited excerpts from a speech by Congress IMP, P Chidambaram, on The Citizenship (Amendment) Bill in the Rajya Sabha, 11 December*



ILLUSTRATION BY BINAY SINHA

The ambitious Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was first launched in September, 2018 in Ranchi, Jharkhand. The scheme provided an insurance cover of ₹5 lakh to 100 million 'poor and vulnerable' families identified by the socio-economic caste census of 2011. By December 2, 2019, PMJAY had covered over 6.8 million hospitalisations worth ₹7,160 crore and has issued over 67 million e-cards to beneficiaries. Indu Bhushan, CEO, AB-PMJAY and the National Health Authority (NHA), tells **Swagata Yadav** what has worked and what hasn't. Edited Excerpts:

'Before expanding, need to consolidate'

**How has the first year of PMJAY been? What has been working, and what has not?**

In the first year, the momentum has been quite good and we are quite pleased with the way the scheme has rolled out. We have to expand it; there is huge disparity amongst the states, because some states have started the scheme for the first time. When you have to create an ecosystem to start a new scheme, it takes time. This is what is happening in Uttar Pradesh (UP) and Bihar. Also, these states have poorer infrastructure to provide services.

The portability feature has proved to be quite handy. [Portability allows patients seek healthcare in any empanelled hospital anywhere in the country]. For example, 10,000 people have gone outside UP to Uttarakhand-most of them to Rishikesh AIIMS [All India Institute of Medical Sciences]. Many people are going to Delhi. Similarly, Bihar is sending people outside because they don't have health infrastructure.

In terms of recipient states, Delhi is the national healthcare provider and Gujarat and Maharashtra are other recipients in bigger states. We need to improve the performance of the scheme in the green-field states. We need to work on awareness generation and strengthen the supply of services in these states. For that we are working with NITI Aayog [the Centre's policy think-tank] to understand how we can provide incentives for

new hospitals to come out in these places. In some cases, for states which are far away like North-East and some of the islands like Andaman and Lakshadweep, we are working to provide transport cost to the mainland--because it is the major cost component in these places.

We are trying to improve awareness in general, as well as provision and quality of services. We are also trying to get more and more hospitals on board.

We have now also revised our packages. Earlier, some providers had indicated that rates were low and so we are working on that. Our aim is to get all the big hospitals to our scheme.

To ensure quality of services, we are working with the department of health research at ICMR [Indian Council of Medical Research] to develop standard treatment workflow. Our IT systems will ensure that those workflows are followed.

**Does this take care of unnecessary treatments that happen in the private sector? Around 3,000 cases of fraud worth Rs 4.5 crore were discovered during audits, said AB-PMJAY annual report 2019.**

We are building some checks and balances--like in hip replacement, we are putting in place boards that will examine whether those procedures are required. We are also working on

cancer care so that the right amount of treatment is given--not over or under treatment. If the person needs chemotherapy, radiation, or surgery, that should be decided by qualified treatment provider. Similarly in cardiovascular disease, we have a system where they could scrutinise whether the person needs a stent or if the hospital has prescribed a stent to earn money.

Next is the detection and prevention of fraud and abuse. For that we are strengthening our IT system and when we find some patterns [of malpractice and fraud], we come down heavily on that.

Every week we share with states, the potential fraud cases based on our analysis of the data. We are also finalising a company which will help us with forensic analysis and big data analysis and give us alerts that we can share with states. We are developing the capacity with the states so that they could do it themselves. Finally, we are improving our IT system and have come up with a tool called 'Zero', which will be more robust, more user-friendly, more secure and interoperable.

We provide those triggers, and many of the fraud cases have been detected. Till now, 300 hospitals have been suspended, we have claimed the money back and FIRs [first information reports] have been launched.

**At an event in November 2019, Alok Kumar, senior advisor to Niti Aayog, spoke about a plan for health systems to cater to the middle class--which is currently not covered in any scheme. Are there any plans to broaden this pool of beneficiaries?**

We are only one year old and right now we have to consolidate what we are doing before expanding. Our aim is to strengthen the ecosystem for providing services for health insurance.

Also, our database is very old. It is a 2011 database so we have to clean it up and exactly identify the people still left out and how to make them part of the scheme.

Once we have covered all the poor people, the call has to be taken by the government whether they want to expand and bring in [the middle class]. So the vision document that Mr Alok Kumar had shared recently shows the long-term vision. But when we go to them, we want to be sure that we have a system and an ecosystem ready.

**Is the addition of new beneficiaries being done by the NHA or through various government departments?**

We are not adding new beneficiaries, we are only identifying beneficiaries who have been left out. That call [of adding beneficiaries], the government has to take.

**So is a list being enumerated?**

I would not say enumerated, but we are looking at the group of people who are being left out.

For example, we are working with other ministries: Like the ministry of labour is prepared to pay for all the construction workers and bidi workers, so we will include them. Similarly, we are looking to include workers of micro, small and medium enterprises [MSMEs] in collaboration with the MSME ministry. We have also signed an MOU [memorandum of understanding] with the ESI [Employees' State Insurance], and we are

working with ESI to consolidate those workers.

**Since PMJAY has the advantage of having a big pool, has it brought down the cost of medicines?**

About the medicine cost, I don't know. In India, the medicine cost is quite low anyway. Medicines comprise a bigger share of out of pocket expenditure. For example, 70% of household cost on health is on medicines.

Now, instead of the beneficiary paying of it, we are paying for that. But we have not conducted a study to show that the costs have come down but hopefully as the scheme becomes deeper, the cost will come down. Not only the cost of drugs and pharmaceuticals but also that of implants and devices should come down.

An October 2019 Federation of Indian Chambers of Commerce and Industry report said that the rates are not viable for private hospitals to make a profit or even survive and they are going through a slump.

We have revised the rate and we have taken into account all the inputs that we have received from various industry associations.

**Do you have insights about how it has improved care in rural areas?**

It's been only one year so we can't expect a huge change. We are seeing some development in that direction and many district hospitals are getting more money. They are improving their infrastructure, they are bridging the gap.

We are also seeing that many private players are planning to expand their operations in tier-2 and tier-3 cities which may help in further expansion.

Are the funds for the scheme enough? In 2019-20, ₹6,500 was allocated to the scheme while it is estimated that ₹10,000 crore is needed.

They are more than enough — since the uptake of the scheme was not that much. We had not used the entire amount, so I think money has never been a problem for this scheme.

**What are the challenges that you foresee?**

There are huge number of challenges: How to reach the last mile, how to ensure the quality of services, how to ensure that no frauds take place and how to ensure IT system continues to work and there are no glitches.

We work on all these every day. We get feedback that due to connectivity, the services are not available in some places. We need to respond to that. In general, we get the feedback that many poor people are being missed out. Those are always there.

This scheme takes care of tertiary care, but what about secondary and primary care because that is where more people are affected? Catastrophic expenditure is for tertiary care, but a lot of it is paid out of pocket at the secondary and primary level.

We are hoping that once we have very strong health and wellness centres, they will take care of much of the primary and secondary care. The government system has to be stronger to provide free drugs and diagnostics. For tertiary and for catastrophic expenditure, we have PMJAY services.

*Source: Indiaspend*

Chasing the stars

A 19-year-old physics undergrad student has started a venture that helps schools set up their own astronomy labs, writes **Sneha Bhattacharjee**

If you've the passion to do something big, you'll pursue it with all your might. Nineteen year old Aryan Mishra believes in this wholeheartedly. Son of a newspaper vendor, Mishra has achieved what many at his age might not dare to — From discovering an asteroid at 14 to setting up his venture at 18, and also being a TEDX speaker. His love for the cosmos began in class 5. Often gazing at the night sky, he'd be keen to know in depth about the tiny white shining objects and beyond. His desire to buy a telescope and study astronomy didn't really bode well with his parents who could hardly manage to fund his schooling. So, Mishra saved up on his pocket money for over a year and half and bought his first telescope at the age of 13. Since then, there was no looking back. While pursuing his Class XII, Mishra set up a venture by the name of Spark Astronomy after borrowing money from his friends. The venture helps school set up astronomy labs for children.

"At first, it was extremely difficult to convince schools. They all wanted testimonials

etc to know whether our venture has tasted success. Meanwhile I started worrying about how I would pay my friends back," says Mishra. He realised in order to have a beginning, it was necessary to offer some incentives to the school. "So, I gave almost ₹25,000 discount to the first school on the entire cost," he adds. Mishra and his team of two approach various schools to raise awareness about the importance of astronomy labs and pitch their offer of helping them set it up. Once the proposal is accepted, they tie up with interior designers to assemble things and also aid in the purchasing of equipment, books, as well as, other resources such as telescopes, planispheres, and lunar maps. The venture charges ₹3 lakh from schools for his offering. Most schools recover this from students by collecting an average minimal sum of ₹60 every year.

"Many private schools have astronomy clubs and charge a whopping ₹10,000 or above from students who're willing to be a part of the club. Now that is a sum not every child can afford. I want every child to have accessibility to these labs so that they too can observe the sky and aim for the stars," he says.

It is from his own personal hardships that

Mishra has learnt to do what he is doing now. Not many approved of his desire to learn more about astronomy. His parents and friends hardly paid attention until at the age of 14 when Mishra was awarded for discovering an asteroid as part of an outreach programme hosted by the Astronomical Society of India (ASI) in 2014. "It is not everyday that the son of a newspaper vendor figures on the front pages," he recalls.

From being able to give lectures alongside former NASA Astronaut Nicole Stott to having his idol Rakesh Sharma write a message to him, Mishra has taken it upon himself to spread his love for the cosmos and its discovery. He holds skype sessions and classes with students across the length and breadth of the country as well as across the globe. "I don't want any child to feel leftout. I remember how my friends would ridicule me for dreams. I want every child to explore the unknown and harbour bigger dreams," says, the 19-year-old who's pursuing a BSc in physics from Ashoka University.

Astronomy as a subject is not well integrated in the education system today. Thereby, very few students are exposed to the know-hows and opportunities within the field. "The idea of starting a venture was to bridge this gap. We not only help schools build the layout



One of the astronomy labs set up by Mishra and his team from Spark Astronomy

and interiors of these labs, but also instal equipments," says Mishra. His venture is already in talks with the central government to set up over 500 such labs across all the Kendriya and Navodaya Vidyalayas. He has also been approached by the NITI Aayog for a collaboration with Atal Tinkering Labs.

"Had I not seen hardships myself, I don't think I would have been able to follow my passion so well," he rues.



# Boris’ electoral bonanza

## But how he will ‘Get Brexit Done’ is an open question

There can be little doubt that the Conservative Party’s emphatic electoral victory underlines the electorate’s hopes that the government would finally “Get Brexit Done”, just as Boris Johnson has promised. The Conservatives won a decisive majority (365 seats in the 650-seat House of Commons) that the party has not seen since 1987, thanks to an unequivocal messaging (including its subliminal promises of keeping out job-snatching immigrants) that resonated strongly in the unemployment-ridden Midlands, which have been Labour strongholds for

decades. This authoritative performance frees Mr Johnson of the party’s reliance on an Irish unionist party to get a withdrawal deal through Parliament. No surprise, the pound staged its biggest rally in almost three years and the FTSE 250 rocketed to a record high as house-builder, bank and utility stocks surged after the election results (as did Tata Motors in India, since its subsidiary JLR derives a fifth of its sales from the UK).

The mandate ends the possibility of reversing Brexit via a referendum or revoking Article 50 of the Lisbon Treaty, which outlines the exit process, but the timetable for Mr

Johnson to make good on his campaign promise is challenging. He has until January 31, 2020 — a thrice-extended deadline — to secure Parliamentary approval for a withdrawal deal (the treaty that will govern the terms of the UK’s exit from the EU). The principal sticking point here remains the Northern Irish border, the UK’s only land border with the EU (via the Republic of Ireland). His predecessor, Theresa May, sought to satisfy Irish unionist allies by avoiding a “hard border” and keeping the whole of the UK (including Northern Ireland) in the EU until the new relationship is negotiated, a programme that pleased nobody because it weakened the UK’s position in the interim. Mr Johnson’s scheme sought to make a distinction by drawing a border in the Irish Sea. Northern Ireland would continue to follow EU single market rules on goods and operate a dual tariff sys-

tem, applying the EU’s common external tariff on any goods entering Northern Ireland but destined for the EU. This would require additional border checks and barriers to trade between Great Britain and Northern Ireland. The rest of the UK would exit the EU customs union, leaving it free to negotiate trade agreements with other non-EU countries (the US and India, for instance). This agreement actually passed a second reading but lawmakers — including Conservatives — rejected a fast-track timetable to vote it into law. The party’s manifesto did not offer details on how any subsequent withdrawal deal would be different. In fact, Mr Johnson is now likely to face the prospect of recurring tensions with Northern Ireland, with whom a peace agreement was signed only 21 years ago. The significant electoral gains for the anti-Brexit separatist Scottish National Party will compound

his problems. That he understands this — including the fact that his party gained less than 2 per cent of the vote share — was clear in his post-victory speech in which he stressed the need for unity.

Finally, even assuming the withdrawal deal is ratified by both Parliament and the EU, Mr Johnson will have till December 2020 to negotiate and ratify a full agreement on the future relationship. Given that the withdrawal agreement has taken more than three years and is still to be ratified, a new EU-UK trade deal, which involves issues of far greater complexity, is unlikely by that time. Mr Johnson then has the option of extending, just once, the transition period by one or two years, and the deadline for that is July 2020. The prospect of the UK exiting the EU without a deal and all the uncertainties that this might entail remains a very real possibility still.

# Fixing the power sector

The electricity sector’s ills call for sustained intervention by the Central government, which should engage with the states to draw up turnaround strategies

AJAY SHANKAR

The financial health of the power sector is causing anxiety, with even the Reserve Bank of India drawing attention to the risk it poses to state government finances. The last bailout package, UDAY (Ujjwal Discom Assurance Yojana), was put in place by the central government in 2015. Under it, the state governments took over 75 per cent of the debt of the distribution companies (or discoms), and the rest they could service with lower-interest bonds.

The states’ ratio of gross fiscal deficit to gross domestic product went up by as much as 0.7 percentage points, as a result. There were commitments to reduce aggregate technical and commercial losses as well as raise tariffs. These commitments have not been fulfilled by many states and an UDAY-2 is in the pipeline. Overall debt levels of the discoms are creeping up to pre-UDAY levels.

Power sector reforms should have restored the financial health of the sector years back. The Electricity Act 2003 provided for the setting up of independent Central and State Regulatory Commissions. The Regulatory Commissions had to determine tariffs, which were to lead to “recovery of cost of electricity in a reasonable manner”. The Commissions were to also reduce cross-subsidies.

The Tariff Policy of 2005 mandated that the State Regulatory Commission would notify a roadmap within six months, according to which, latest by the end of 2010-11, tariffs would be within +/- 20 per cent of the average cost of supply. The state governments were required under the Act to “pay in advance” the subsidy to the discom if they wanted any class of consumers to have a tariff lower than what the Regulatory Commission determined.

The key premise of the Electricity Act was that state governments would “let go”. Tariffs would be determined by the independent Regulatory Commissions, which would also protect consumers’ interests. State governments could give farmers free electricity, but had to pay for it from the budget. In reality, however, the political leadership across states has yet to fully accept the spirit of the Act. The discoms continue to be owned and micro-managed by state governments. They seek tariff increases only after clearance by the political leadership.

The Independent Regulators raise tariffs only within the band that they sense is acceptable politically. Being retired civil servants and technocrats, they have a finely honed sense of what would be acceptable. So, the expectation that tariffs would result in recovery of cost of supply has been belied. As state governments are perennially short of fiscal resources, their payment of subsidies to the discoms is usually in arrears, notwithstanding the provision in the law of advance payment.

The Electricity Act provides for open access to all consumers above 1 Mw, separating content from carriage for them, with a cross-subsidy surcharge to compensate the discom for its loss of a subsidising consumer. Cross-subsidies have hardly come down and, as a result, the surcharge for open access is still too high. The use of open access remains a marginal phenomenon. There is hardly any point in now contemplating further legislative changes for separation of carriage from content for all consumers, before getting better implementation of existing provisions.

The situation, however, varies considerably across states. Gujarat turned around when Prime Minister Narendra Modi was chief minister. Separation of feeders, which took electricity for irrigation from those that went to village settlements, was a creative solution. Farmers got practically free electricity for



Reforms would have restored the financial health of the power sector years back. The overall debt levels of the distribution companies are creeping up to levels that prevailed before the 2015 bailout

irrigation, but only when they needed it. However, they got uninterrupted supply of electricity in their homes in the villages, and paid for it fully.

Excluding agriculture, the sector became financially viable, with tariffs reflecting costs, with improved governance. For agriculture, supply was effectively rationed and the subsidy for free supply contained to manageable levels. The state’s power sector became commercially viable and provides quality supply to all consumers. Its power companies consistently get the highest ratings.

Sheila Dixit, as chief minister of Delhi, brought in the private sector to run electricity distribution in 2001 with the full support of the then NDA government at the centre. She recognised that only the private sector with independent regulation could set the sector right in the then prevailing commercial, administrative and political culture of Delhi. Losses in distribution, then around 50 per cent, have come down to under 10 per cent, and the quality of supply and service is getting better. The sector is no longer a financial drain on the Delhi government. So much so that it can now afford to offer a subsidy from the budget for free consumption of 200 units per month.

These examples illustrate that focused political

leadership in a state can set the sector financially right and put it on a sustainable trajectory of commercial viability. Avoidable losses can be reduced through better governance, which has been made easier by technology, smart grids, smart pre-paid meters and real time effective energy audit. Where sustainable governance improvement is unlikely in the short term in states such as UP and Bihar, varying degrees of private sector participation — ranging from outright privatisation, to franchisee arrangements, to outsourcing of metering, billing and collection — would be the way forward.

Franchisee arrangements in Uttar Pradesh (in Agra and Kanpur) have shown encouraging results. Tariff increases are, however, unavoidable to get revenue to go above cost per unit. And increasing tariffs should not be politically difficult if farmers are excluded and the lifeline consumption tariff for the first 100 units is not raised. After all, consumers do pay for increased petrol and diesel prices and have, as voters, not imposed real costs on their political leaders.

The situation is really grave in a few states. This needs the political attention of the central leadership and engagement with the political leadership in the weak states. This alone can result in a state-specific turnaround strategy that could be implemented in a time bound-manner with the help of the centre.

The writer is distinguished fellow, Teri, and former secretary, DIPP

ALPESH CHADDHA & ANANT KASIBHATIA

With disruptions fast becoming the new normal, a “business as usual” approach is no longer sufficient for 21st century organisations to compete and thrive. This has prompted many to embrace what has become one of the most commonly used terms in business: Transformation.

We believe true transformation is a fundamental, enterprise-wide shift in the way an organisation operates, with equal focus on both performance and organisational health. Such transformations are difficult to achieve and harder to sustain.

Surveys have shown that 70 per cent of executives say their companies’ transformations failed to deliver and sustain impact. With over 100 successful case examples in the past decade, we have identified typical failure modes, as well as strategic choices that improve the odds of success. Let us start by looking at the major pitfalls.

**LACK OF A BURNING PLATFORM**

Transformations require a compelling case for change, to shift underlying mindsets and behaviours. The purpose needs to be clear in the minds of the leadership, to help create a buy-in across the organisation. Without this purpose and urgency, organisations are unable to move to a new way of working.

Good-to-great transformation journeys need to go a step further and require leaders to articulate the “why” to energise the organisation. If not done properly, momentum could fizzle out, intensity is lost, initiatives are not monitored, people move on, and challenges continue to mount.

One such case study is of a global logistics organisation where employees faced a new transformation agenda each year. The leadership failed to create an impetus for change — one that would force the organisation to pause and rethink its way of operating. Only after creating a compelling change story could the organisation start to make meaningful progress on its transformation initiatives.

**NOT INVOLVING A CRITICAL MASS OF PEOPLE**

Several transformations launch with a small task force, and the rest of the organisation gets involved only to help execute changes in their areas of expertise. Studies in neuroscience suggest that people are more likely to accept something if they are involved in decision-making rather than if it is forced upon them. People need to have a sense of agency, to change.

**IGNORING CULTURE, MINDSETS, AND CAPABILITIES**

While building employee capabilities, it is critical to understand the culture and mindsets that need to shift to enable them to perform at peak potential. Our research shows that 70 per cent of transformations fail because of insufficient focus on culture and capabilities. Rather than treating it

holistically, capability-building is often an afterthought during a transformation, or is limited to training people on new systems and processes introduced as part of the transformation.

**KEY ELEMENTS DURING TRANSFORMATIONS**

**Set the direction at the start:** Our research shows that a clear and compelling aspiration from the outset of the transformation journey increases the chances of success threefold. When deeply rooted in the case for change, this aspiration also inspires conviction across the organisation.

Clearly communicating the aspiration as part of the change story is just as important as defining the aspiration. Chief executive officers (CEOs) who drive successful transformations do not merely communicate plans to employees, they share a story that engages the entire organisation. According to data from Quantified Communications, a platform for communication skills, messages that include well-crafted stories are 21 per cent more memorable and 35 per cent more persuasive.

**Energise the organisation:** Our experience has shown that a transformation can only be achieved when at least 40 per cent of the organisation actively supports the change. A CEO must ensure the entire leadership is not only supporting the transformation agenda, but also role modeling the expected behavioural change. This requires deep discussions with each leader to align personal aspirations with those of the organisation.

The next stage is to develop a critical mass of change agents and focus on building their capabilities. In one of our transformations for a major power sector player, the CEO mandated the setting up of a capability building academy with a dean and trainers to ensure all best practices were codified and adopted across the organisation as part of a training calendar.

**Link “talent to value” in staffing:** This is done by identifying the roles that drive significant value creation, staffing them with the best talent, and then upgrading their capabilities. These roles can rest anywhere in the organisation and are not necessarily at the highest levels. There needs to be greater focus on the development of people in these roles, to ensure they are put through a structured leadership development journey. The performance metrics of these roles need to be tightly tied to the transformation outcomes and their incentives linked to the success.

CEOs shifting focus to these critical elements, along with monitoring outcome metrics, can see change scaling and cascading to day-to-day working — which is the true test of success of a transformation.

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## ▶ OTHER VIEWS

# Modi 2.0 is fulfilling its stated goals, but there are big risks

## It will fuel unrest in key regions, divert attention from economic concerns

The Narendra Modi-led government in its first term had an incremental approach to its core ideological issues. But in its second term, riding on a second consecutive majority, the Modi government is firmly focused on fulfilling its domestic ideological agenda. In the first session of the 17th Lok Sabha, it passed the triple talaq legislation; it strengthened the legal framework governing the National Investigative Agency, and widened the scope of the Unlawful Activities (Prevention) Act. It, most significantly, effectively abrogated Article 370 and reorganised Jammu and Kashmir. In this session, the government has pushed through the Citizenship (Amendment) Bill. Home minister Amit Shah, who has piloted all these legislations, has now promised a nationwide National Register of Citizens.

Put it all together and it is clear that Mr Modi and Mr Shah have interpreted the 2019 mandate as a mandate to fulfil their key ideological goals. Two features of this project are apparent. The first is a clear focus in ensuring that the Indian State reflects the priorities and concerns of the Hindu majority as represented by the BJP. And the second is a national security push, where the government believes a strong security-centric



approach relying on the State’s coercive arms will lead to order. It runs the risk of alienating minorities, creating unrest in regions, such as Jammu and Kashmir and the Northeast, where India has already witnessed strife, and taking away attention from core economic and development concerns.

Hindustan Times, December 13

# Action at last against LeT chief

## FATF must stay the course with Pakistan

The framing of charges against Hafiz Saeed by an anti-terrorism court in Lahore is the direct result of actions that the international anti-terror watchdog, the Financial Action Task Force, has taken and further threatens to take against Pakistan if it does not crack down on terror. Pakistan is on the FATF “grey list”, and even if it is never moved to the blacklist, the possibility is dire. A blacklisting by the FATF, an organisation de facto run by the US Treasury department, would be ruinous for Pakistan. This is why it is now seen to be taking action it previously dragged its feet on — acting against terrorist groups with an address in the country, including the head of the Lashkar-e-Toiba/Jamat ud Dawa, found responsible by

that country’s own investigators for planning and carrying out the 2008 Mumbai terrorist attacks. The Pakistan military has used these groups as a hedge in the region.

On July 3, Pakistan’s Counter Terrorism Department booked Saeed and a dozen other leaders under terror financing and money-laundering clauses of the Anti-Terrorism Act (ATA), 1997. Saeed, now, has to appear at a trial that will be held every day. It is important for India that the FATF stays the course with Pakistan because it is the only body that has had a demonstrable effect on the country’s approach to terror groups based on its soil.

The Indian Express, December 15

# Banks must disclose NPAs

## Else, it endangers the entire system

Even four years after the Reserve Bank directed all banks to come clean on their financial health by declaring bad loans and making adequate provisions, nine banks, including the nation’s largest, State Bank of India, have admitted to under-reporting bad loans to the extent of over ₹20,000 crores in the financial year 2018-19. This under-reporting or divergence (as described by banks) was discovered during an RBI assessment. The errant banks, which disclosed this information to stock exchanges in compliance with Sebi regulations, include SBI, Central Bank of India, Union Bank of India, Bank of India, Indian Overseas Bank, UCO Bank, Indian Bank, Yes Bank and Lakshmi Vilas Bank. Though the divergence

could stem from differences of opinion on when a loan is bad, it will have material impact on bank profits. For instance, if SBI correctly declared its bad loans at the end of 2018-19, it would have to set aside ₹12,036 crores for provisioning — resulting in a loss of ₹6,968 crores, instead of a profit after tax of ₹862 crores as reported earlier. Banks, however, must understand that hiding such market sensitive information from investors amounts to fraud. At the macro level, the under-reporting of financial stress — like a government’s practice of hiding uncomfortable reports — shows that nobody has any idea about the country’s real financial health.

The Asian Age, December 13