

CHATTERBOX

The next foreign secretary will be...

Who is going to be the next foreign secretary? Vijay Gokhale was appointed to the post on January 28, 2018, for a two-year fixed term after the retirement of then Foreign Secretary, S Jaishankar. The latter joined politics and became India's foreign minister and Gokhale's immediate boss. This has led to some piquant situations. Gokhale's term ends in the end of January 2020. There are three probables. One, and the most likely, is India's man in the US, Harshvardhan Shringla who reportedly has Jaishankar's ear. He is the most favoured, though many say he might stay on in the US to help negotiate the interim FTA with the US that is in the pipeline.

However, another hopeful is India's permanent representative at the United Nations, Syed Akbaruddin. The dynamic of this appointment is obvious. But Akbaruddin is a 1985-batch officer of the Indian Foreign Service (IFS) who retires in April 2020. Ruchi Ghanashyam, a 1982-batch officer currently posted in London also retires in April 2020, and Shringla, who is from the 1984 batch, retires only in 2022. Akbaruddin is junior to both in the service. Two other senior diplomats in headquarters, T S Tirumurthy (Secretary Economic Relations) and Vijay Thakur Singh (Secretary-East), being senior to Akbaruddin in the batch, will have to be accommodated outside the headquarters if he is brought in as foreign secretary.

The decision to select a Foreign Secretary does not follow any set pattern or convention. While the topper of the batch or the senior-most among the officers in the pool has a natural claim, on several occasions in the past, they have been ignored or overlooked.

DID THEY REALLY SAY THAT?



"I don't know how many times I've stood and spoken after this kind of crime. I think it is time... whether Nirbhaya or Kathua or what happened in Telangana... I think the people now want the government to give a proper and definite answer,"

Samajwadi Party MP Jaya Bachchan who called for public lynching of rapists in Parliament



OPINION

NIRMALA SITHARAMAN

We're committed to further reforms

Sir, cutting down the corporate tax is not just good for headlines; it is not just good PR; it is not just good atmospherics, but it is a good reform, and this government, under our Prime Minister, now, in the second term, after taking up a lot of reformatory steps in the first tenure, is further committed to doing a lot of reforms and this step has come very quickly depending on the global trade environment and the investment climate in India, and further reforms shall continue.

So, it is not just atmospheric, it is not just headline; it is also a good reform that we want to go ahead with.

Sir, about Ordinances, quite a few Members have asked as to why we need Ordinances; why we can't go straightaway with the Bill. As I said, waiting for the next Budget is by itself a delay which we did not want considering the environment which was prevailing all over the world. We wanted to attract investment at the earliest. So, we did come out with an Ordinance. But, are Ordinances new? Particularly, those related to finance, are they new; are they rare; are they never done before? I will just want to explain by giving some data. Finance-related ordinances have been there before. The Governments have used them because there is a reason. When the Parliament Session is not on and the urgency is felt, the governments do have the discretion and the governments choose to use Ordinances. Between 2004 and 2009, under the UPA-1, a total of 36 Ordinances were passed of which 10 were finance-related Ordinances. Between 2009 and 2014, a total of 25 Ordinances were passed, six of them were related to finance. So, it is not a thing that never happens. It is completely the discretion of the Government to feel what is developing on the ground and if they think that is necessary, even finance-related Ordinances have been used. I just want to put that in context.

Sir, now, I go to addressing the specific issues raised by hon. MPs, there again, not in any particular order. I think, I had already referred to Dr. Amar Patnaik, talking about mining. The new rates do not apply to mining because they are not manufacturing. Mining may deserve a lot more support but then, this support is not for mining.

Then, Shri Ravi Prakash Verma had asked as to why is this only for foreign companies. The concessional rates provided in the Ordinance, and, now, in this Bill, are applicable only to domestic companies. We are not giving to foreign companies at all.

Shri Ram Chandra Prasad Singh had asked about the Direct Taxation Code. It is a very important point. The report of the task force has been submitted. We are certainly looking into it and it is under the examination of the Ministry.

Then, Shri Vijayakumar asked as to why this 15 per cent is not being given to existing companies. Sir, the idea of giving a lower tax rate for new manufacturing companies is because we want fresh investments to come in. It should not happen that a whole lot of existing production capacities and investments just transfer to the new one with no additional new investments coming in. So, the objective itself is to draw new investments. Therefore, we had taken a conscious call on them.

Again, Dr. Amar Patnaik had said, 'this would not benefit MSMEs'. No, it will certainly benefit because when we have said this concessional rate of 15 per cent is being offered to manufacturing companies, all companies, big, small, medium, micro, all of them will get this rate. So long as you are a part of the Companies Act, the small ones, the medium ones, all of them will benefit out of this.

Then, there was also this question about consumption rate. A lot has been said about declining consumption. I want to just give some statistics. Private consumption during UPA-2 was 56.2 per cent of the GDP. This increased to 59.0 per cent during the NDA-I. Even in the first half of 2019-20, that is, this year, private consumption was 58.5 per cent of the GDP, still about 2.2 percentage points higher than what it was during the UPA-II.

So, I just want to underline that decline is there between the first and second term of NDA, but when you compare it, we are very clearly, at least, two percentage points higher than what we were during the UPA times.

Sir, I would like to give a bit of an elaborate answer for one particular issue raised by the hon. Member, Shri Veer Singh. This is about personal Income-Tax. Other than the fact that the Direct Tax Code is under examination, other than the fact that I have had quite a few inputs coming from people who think it is time now that Income-Tax cut has to be considered, I am not commenting on it, but I would want to draw the attention of the House that a lot of personal Income-Tax related steps have been taken.

I just very quickly want to highlight the fact that in the past five years, the Government has provided Income-Tax relief and I want to mention a few steps. Under the Finance Act of 2014, the basic exemption limit was enhanced from ₹2 lakh to ₹2.5 lakh. Further, the said Act also increased the limit for claiming deduction under Section 80C of the IncomeTax Act, from ₹1 lakh to ₹1.5 lakh. That was done as a step in the personal Income-Tax arena. Again in 2017, the rate of Income-Tax on individuals, whose total income was between ₹2.5 lakh to ₹5 lakh, was reduced from 10 per cent to 5 per cent. Standard Deduction of ₹40,000 was introduced for salaried tax-payers, as well as pensioners, again in 2018. It was further increased to ₹50,000 in 2019. Lastly, in 2019, we also provided for full tax rebate for individuals having a taxable annual income up to Rs.5 lakhs under Section 87A of the Income-Tax Act.

Sir, I must thank the hon. Member, T Subbarami Reddy, because he has, every now and then, given us a lot of constructive and good suggestions in order that we handle the taxation-related matters.

Edited excerpt from the speech of Finance Minister Nirmala Sitharaman on the Taxation Laws (Amendment) Bill, 2019 in the Rajya Sabha, 5 December



ILLUSTRATION BY BINAY SINHA

Anit Mukherjee is an expert in defence reforms, counterinsurgency and India's foreign and defence policies. His recently published book *The Absent Dialogue: Politicians, Bureaucrats and the Military in India*, he explains how Indian politicians and bureaucrats have long been content with the formal and ritualistic exercise of civilian control, while the military continues to operate in institutional silos. In an interview to Aditi Phadnis, Mukherjee tells how the armed forces, politicians as well as the bureaucracy can work together by finding a remedy to this 'us vs them' approach. Edited Excerpts:

'MoD & services have to work in tandem'

For years now, tension has persisted between the armed forces and the bureaucracy, and lately, also between the political class and the armed forces. What has given rise to these tensions?

I think tensions between the military and the civilian bureaucracy has been a constant feature of civil-military relations in India. Lately however, especially during the time of defence minister A K Anthony, it was particularly adversarial. While the tenor is a little better under the Narendra Modi government, however, they too have had their share of controversies. These tensions are primarily due to four reasons.

First, is that of institutional design. Unlike most western democracies, the Ministry of Defence (MoD) in India is almost completely civilian staffed with very little military participation (other than as technical managers in the acquisition wings and very recently in the planning and international cooperation department). In turn, the military headquarters has very civilian employees. This creates an us-and-them approach and is not conducive of a collegial, mutually respectful relationship. Second, specially since the time of the Third Pay Commission in 1973, there has been some controversy or the other over pay, entitlements, equivalence (between civilians and the military) and veteran and disability benefits. Over time, and not entirely without reason, the military has lost faith in the ability of civilians to

honestly arbitrate these disputes.

Third, over time the prevailing narrative within the military is that they are under the control of the civilian bureaucracy and not that of politicians and that is at the root of all its problems. Most senior military officers, both implicitly and explicitly, allow this narrative to go unchallenged since it deflects attention. In fact, some of what is taught and discussed about civil-military relations in military academies is downright unhealthy to building respectful relations. Last, the current age of social media, instant opinions and vicious, sometimes incorrect, WhatsApp forwards have brought these tensions to the limelight. Often the social media magnifies these tensions more than what they maybe in practice.

The armed forces argue that the system of weapons procurement is such that it is loaded against them (in power terms). The civilian bureaucracy believes the soldier's lot is to fight in the field, not in the marketplace. How can India fix this problem?

The notion that the military is a marginal player in weapons procurement is only partly true. The military makes the case for the weapons, frames the qualitative requirements (QR's) — which is a critical part of the process, carries out field trials and, now, is even included in the contract negotiations process. Lately, as

per reports, a lot of financial powers have been delegated to the services.

Moreover, procurement decisions involve huge budgetary costs and, like in other democracies, is ultimately the prerogative of the civilian leadership. Having said all that, it is true that the military in India is not as embedded into the procurement process as in other western democracies and often suffers considerable delays. There is also a conflict of interest with MoD inherently inclined towards supporting public sector defence production units, despite charges of inefficiency. This government has been more supportive of the idea of private sector participation in the defence sector which, by creating competition and an eco-system, should be welcomed. The move to corporatise the ordnance factories, which is currently under consideration, is also a good development. There are other ideas under debate within the government, for instance on whether the director general (Acquisitions) should be a military officer or perhaps if procurement should be handled by an autonomous entity but we are not sure where we are going with this. Perhaps the government should, once again, set up a high level committee to examine this issue in its entirety.

We now have a Chief of Defence Staff (CDS). But do we have jointness of the armed forces? How important is this to winning wars? To sharing resources?

While we shall shortly have a CDS — and this was such a necessary step and we should commend the political leadership for this — however, it is important to see how much they empower this office. To be truly effective, the CDS must not be just a glorified version of the chief of Integrated Defence Staff (IDS). Currently, the lack of jointness is among the biggest weaknesses in the Indian military — and has been problematic in all our past wars, including the 1999 Kargil war. Unfortunately, however, such historical case studies are generally not taught in our military academies. But besides effectiveness, jointness can also potentially save fiscal resources, an aspect that the services are reluctant to talk about.

All this apart, it is important to keep in mind that appointing a CDS will not overnight lead to more jointness. Instead, what is required is for civilians (working with the CDS) to bring about an attitudinal shift within the services towards jointness. The best way to bring about such a shift is through professional military education (PME). In the US, this was done with the help of what is known as the Ike Skelton Committee Report, which was published in 1989. We need a similar approach in the Indian military.

Additionally, currently officers sent to joint organisations like the Andaman and Nicobar Command or the IDS are almost treated as organisational outcasts. Just to illustrate, one should ask the question of how many army chiefs and army commanders (and their air force and naval counterparts) have served in a joint organisation over the last 20 years? I suspect the navy would have some but the other two services, I am willing to imagine, would have very little. I think it is to address issues like that the CDS in his first three months, in consultation with the civilian leadership, has to come up with action-oriented reform roadmap. In sum, therefore while the

this, the party removed Danish Ali, MP from Amroha, from the post of leader of the party in Lok Sabha due to his strong objections to the Triple Talaq bill.

■August, 2019: "BSP backs the Narendra Modi government's decision of abrogating the Article 370. Dr BR Ambedkar never supported the idea of divided India," party chief Mayawati said. The party criticised the decision of Congress and other opposition parties to visit Kashmir to take stock of the ground situation.

■October, 2019: "Ever since the BJP government was formed in UP, every kind of crime and sensational incidents have been increasing in this big and important state, which has made life miserable for the common man. The public is not getting any relief from government measures. It will be better if the government works with dedication and integrity in the public interest," Mayawati said.



ANIT MUKHERJEE

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CDS is a welcome development but we still have a long way to go.

Like other branches in government, the armed forces have their share of gripes over promotion, retirement and chain of command. But lately these grievances have led to the dismissal of one Navy Chief (Admiral Vishnu Bhagwat), a celebrated promotion dispute leading to an Army Chief taking the government to court (General VK Singh) and a Naval Chief's resignation, taking 'responsibility' for the quality of equipment (Admiral DK Joshi). It would be trivialising the incidents to call them tantrums. Yet, they have occurred. How can the country handle these problems maturely?

I am not sure we can create any structure that makes it completely immune to matters pertaining to personalities and temperaments. Other democracies have also had their fair share of controversies. For instance, in 2010, American General Stanley McChrystal had to resign following the publication of an article in *Rolling Stone* magazine and, in 2017 French General Pierre de Villiers resigned following a dispute with President Macron over spending cuts. But it is also not a coincidence that in India's case, before each of the incidents which you mention, civil-military relations were highly problematic. Perhaps one approach, like I mentioned before, is to try to remedy the problem of institutional design between MoD and the service headquarters, which perpetuates an "us and them" sentiment. In addition, both civilians and the military officials need to be sensitised and properly informed of each other's service conditions, and the role that they necessarily play. Hopefully that will lead to a mutually respectful relationship.

Another intermediary has been added to the structure in the form of the National Security Council Secretariat (NSCS) and the National Security Advisory Board (NSAB). Where does this fit?

More than the NSAB that is an outside advisory group, a more interesting development has been the gradual strengthening of powers of the NSCS. I think giving a formal role to the NSCS, on par with the NITI Aayog, is a welcome development. Without such institutional and political support, as we know from past instances, the NSCS was not that important an entity. It is also important to keep in mind that NSCS type organisation is a relatively new experiment in parliamentary democracies. For instance, in the UK an NSC was established only in 2010 and in Japan it was created in 2013. This is therefore very much an experiment in progress and requires to be watched. Returning however to the theme of civil-military dissonance, even within the NSCS there are tensions due to rank and seniority equivalence between civilians and the military. I also find it intriguing that although the NSCS has a post of a military advisor however, we have never appointed a military officer as a deputy national security advisor. Why, when officers from all other government services have held this post, have we been unable or unwilling to do so? I think the answer to this may lie, in part, to the civil-military schisms that characterise our government.

A crockery bank to reduce plastic waste

This bank is lending citizens steel utensils for religious functions and occasions free of cost in a bid to reduce dependence on single use plastic, writes Sneha Bhattacharjee

On a blazing summer month in Delhi, 45-year-old Sameera Satija, an auditor by profession, was perturbed by the amount of single use plastic being left over near the stalls set up to distribute free cold drinking water to the passerby. The thought that this plastic would end up choking landfills made Satija look for alternatives. "India has always been a sustainable society where we had reusable utensils for every event. But fast life style pushed us towards single use culture," says Satija adding how non availability of reusable crockery for event and functions was also another reason that led to the mushrooming of single use culture.

In a bid to her bit for the environment, Satija set up a "crockery bank" which provides a collection of steel utensils that any one can use for any social or religious event free of cost. "It was purposefully kept free of rent as I wanted to motivate more and more people to use this service," she notes.

At the outset, Satija was clear to not run this crockery bank as a solitary initiative. Rather, she wanted to make it known to every-

one around so that more and more people would come together to participate in this cause. "I started with a normal roadside stall to provide free drinking water. At the end of the day, when I checked with the volunteer on the job, they pointed we'd saved 10,000 single use plastics in a day," says Satija who keeps a data of every single event she sends her crockery too. "It is my way of showing people that how a small change in our way of looking at things can bring about a difference to the environment," she adds.

This was it. Once word started spreading about her "free service", many joined in — both to hire crockery for functions as well as to donate more utensils to her bank. "Now there are around 26 teams from all over India who have set up similar banks to serve the general public. There are many societies, groups, institutes who have created the crockery bank for their own use. This initiative has helped us in saving around 3,35,000 single use plastic till date and the number is rising each day," Satija notes.

What started with ₹10,000 from her own account has now involved more such people who think on the lines of Satija. Does she intend to monetise it in future? "No" comes

the firm reply from her end. "I'm not doing it to earn money but as a responsible citizen. If my small act can bring together more people to this initiative, I will be glad," says she.

So how does the crockery bank work? How Does the Crockery Bank Work? There is no rental/charge for using the crockery. Anyone can ask for them, take them, use them, wash them and give back the utensils. The cost of lost/missing utensils will have to be borne by the borrower. Whosoever wants utensils can drop a message on the Facebook page by the name "Crockery bank for Everyone". Satija gets back to them and ties up the pick up and other logistics. "One simply has to give a written letter signed by either the RWA or Councillor of the ward conveying the number of crockery items required, date, days etc. If neither of the above is possible, any two members from the group may give away copies of two IDs proof each; one proof must be Adhar Card," she adds.

Satija has been working as citizen volunteer in the field of waste management, sustainability and other environmental issues. This has led her to reach a zero waste lifestyle. "Although it cannot be achieved overnight and is a journey where one learn and grow with each passing day. For me, zero waste lifestyle



There are around 26 teams from all over India who have set up similar banks to serve the general public

is to reduce your waste and manage the waste in a way that least should go to the landfill. Consume and use the stuff that is recyclable, reusable, refurbishable and repairable," says she. "If we start managing waste wisely, we can bring down the size of landfills drastically. People should now take responsibility of their waste too. Focus on buying or using the products that are either recyclable, reusable, refurbishable or repairable" Satija concludes.

Rights of passage

Citizenship Bill is no improvement on the first version

The second version of the Citizenship Amendment Bill (CAB), due to be tabled on Monday, cannot be called an improvement on the version that lapsed in the previous Lok Sabha, even though it is likely to pass the Rajya Sabha gauntlet owing to support from more political parties. The Bill continues to violate the spirit of the Constitution and, indeed, of the Citizenship Act of 1955, which did not confer citizenship on the basis of religion. The CAB carries a remarkable level of specificity: It provides a path to citizenship to Hindus, Sikhs, Buddhists, Jains, Parsis, and Christians from Afghanistan, Bangladesh, and Pakistan, all

Muslim-majority countries, who have entered India illegally before December 31, 2014. The version cleared by the Cabinet on Wednesday, however, leaves out the specific requirement of “religious persecution”, thus evading accusations that the Bill is not secular and, therefore, a constitutional challenge. It has also reduced the proviso of continuous stay in India for such people from 12 to five years, expanding the number of people who will be eligible for such citizenship. This offer of Indian citizenship remains sufficiently narrow for the CAB to attract constitutional scrutiny. The obvious point, which has been discussed threadbare, is that it excludes Muslim minori-

ties — the Ahmadias, Shias, and so on — in these countries.

The premise behind offering citizenship to the religious minorities above is that they tend to be persecuted in these countries. This is a valid premise. The problem is that the Ahmadias and Shias are also persecuted in these Sunni-dominated countries, sometimes as badly as other religious denominations. It is unclear why a regime, in which Prime Minister Narendra Modi has publicly expressed the value of *Sarva Dharma Sama Bhava* (respect for all religions), should not extend a helping hand to persecuted Muslim minorities as well. Equally, neighbours such as Myanmar, Nepal, and Sri Lanka, which are not within the purview of this Bill, have significant Muslim minorities, which are persecuted to varying degrees. Myanmar has created a worldwide scandal with its appalling treat-

ment of the Rohingyas (to whom Mr Modi’s first government flatly refused asylum) and the election of the Buddhist-nationalist Gotabaya Rajapaksa is unlikely to improve the security of Sri Lankan Muslims.

Greater political acceptance for this version of the Bill has been largely the result of clauses excluding from its ambit three states — Mizoram, Nagaland, and Arunachal Pradesh — these are under the Bengal Eastern Frontier Regulation, 1873, which requires anyone entering the state, including an Indian resident of a different state, to have an inner line permit. The Bill will also not be applicable in areas where the Sixth Schedule of the Constitution is in place — that is, the tribal areas of Meghalaya, and parts of Tripura, Mizoram, and Assam. There is also a degree of illogic in these exclusions, principally because they cover precisely the kind of restrictions on residence and land owner-

ship that were scrapped in Jammu & Kashmir. These exclusions were made, Home Minister Amit Shah has explained, because consultations revealed that these states do not want their ethnic compositions disturbed by the influx of non-ethnic minorities (read: Hindus from Bangladesh). Surely this contradicts the Bharatiya Janata Party’s avowed intention of forging national integration through language, religion, and laws?

Besides, to offer the large Hindu population that emerged as “illegal” under the latest National Register of Citizens (NRC) exercise in Assam a path to citizenship is fraught with risks. It is unlikely to make ethnic Assamese happy and keeps the state’s Bengali Hindu population permanently vulnerable to continuing violence. Mr Shah had said that the CAB would precede a nationwide NRC. Given the visible communal intent of the law, its passage will not augur well for the future of India.

Muddling along in Afghanistan

US President Donald Trump is desperate to pull American troops out of the war-torn country, even if it means clearing the way for the Taliban’s ascent to power in Kabul

HARSH V PANT & VINAY KAURA

US President Donald Trump’s unannounced visit to Afghanistan for the ostensible purpose of celebrating Thanksgiving Day and his surprise invitation to Afghan President Ashraf Ghani for an official visit to Washington needs to be assessed in the context of his desperation to restart negotiations with the Afghan Taliban, which were abruptly terminated by him when the peace deal had seemed very close to being signed. This was Mr Trump’s first visit to Afghanistan since becoming president.

The US president’s willingness, or rather desperation, to withdraw from Afghanistan has never been in question. He wants a substantial number of American soldiers brought back from the war-torn country with or without an exit strategy, before the 2020 presidential election. India has always feared this expedient haste, as it only undermines the Afghan government by signalling a lack of American resolve. New Delhi would like the Trump administration to work towards an agreement that supports the democratic forces in Afghanistan, rather than endangering them. Since he has had no real alternatives to reviving talks, Mr Trump has chosen to pick up where he left off in September.

In Afghanistan, Mr Trump has demanded a “ceasefire” as a precondition for talks with the Taliban. Demanding a ceasefire can be termed a historic shift in Washington’s position, which would also require a huge concession from the Taliban. This is the second time in a week that Mr Trump has talked about a ceasefire. During his telephone talks with his Afghan counterpart a few days back, when he thanked Mr Ghani for his cooperation in the release of two foreign professors by the Taliban in exchange for three insurgents, Mr Trump had stressed the need for the ceasefire as a precondition for talks.

This is a very significant position taken by the US president, who has hinted at a change in the Taliban’s position: “They [the Taliban] didn’t want to do a ceasefire, but now they do want to do a cease-fire, I believe. And it will probably work out that way. And we’ll see what happens.” However, the Taliban does not seem to have made any change.

India, which has a huge stake in the Afghan peace process, would like Mr Trump to stick to the ceasefire precondition. New Delhi has always cautioned Washington about the peace process with the Taliban in Afghanistan, advocating the role of the elected Afghan representatives in deciding the nation’s future.

In the recent UN General Assembly debate on Afghanistan, an Indian diplomat in India’s UN Mission had argued that “while the international community must be united in supporting these efforts, we do not believe in advancing prescriptions. In any country, it is the people of that country and the elected representatives of that country who should have the leading voice in deciding their future — this has always been one of India’s guiding principles in its engagement with Afghanistan.”

Without a ceasefire, intra-Afghan negotiations cannot succeed. Apart from the ceasefire, another sticking point has been the involvement of the Afghan government in the process. The ostensible reason for ending the talks in September was the Taliban’s claim of responsibility for a terror attack that also led to the death of an American soldier. In addition to calling off the peace process, Mr Trump had also cancelled his planned meeting with Taliban leaders and Mr Ghani at Camp David.

There is speculation whether the US president wanted to improve the deal’s terms through his direct involvement, or whether Mr Ghani’s presence at the signing ceremony was a clever ploy by Mr Trump to legitimise the role of the Afghan government. Given the military stalemate in Afghanistan, the suspension of talks has not improved America’s limited set of options.



Donald Trump poses for a photo with American troops during a surprise visit at Bagram Air Base in Afghanistan on November 28. It was his first visit to the country since becoming president

The Taliban have not demonstrated any enthusiasm for sharing power with the Afghan government; their fundamental interest lies in overthrowing it. Even as talks with Special US Envoy Zalmay Khalilzad were underway, violence from the Taliban side showed no decline. The belief that the Taliban showed increasing willingness to join the Afghan mainstream, as they remained invested in the process, was actually propagated by those in Pakistan who insist on a peace deal at all costs. If anything, the Taliban’s ultimate aim is not to secure peace, but to finalise a deal that triggers American withdrawal and clears the way for its ascent to power in Kabul.

Had the deal been signed in September, it would have seen thousands of American troops withdrawn in exchange for guarantees by the Taliban that Afghanistan would not be used as a base for terror attacks on the West. But New Delhi has been sceptical about the Taliban’s ability to prevent Al-Qaeda and other terrorist groups supported by Pakistan’s intelligence agencies from plotting attacks against India from Afghan soil.

Since avoiding diplomacy is costly for all sides, it is a matter of time before the Trump administration goes back to the negotiating table

Since avoiding diplomacy is costly for all sides, it is a matter of time before the Trump administration goes back to the negotiating table. However, the terms of negotiations are equally important. Even those in India who accept in principle the need for a negotiated settlement have been against Washington’s desperation for negotiating exclusively with the Taliban, without securing an early ceasefire. This approach goes against the basic American position that the peace process should be “Afghan-led and Afghan-owned”.

Mr Trump has probably come to realise his previous mistake and so seems to be reinforcing the need for a ceasefire if the talks are to begin between Mr Khalilzad and the Taliban representatives. Yet, given Mr Trump’s mercurial disposition and the imperatives of domestic politics, there is no guarantee that Mr Khalilzad would necessarily insist on this precondition in his talks with the Taliban, which can begin any time now. And therein lie the dilemmas of Indian policy towards Afghanistan, which remains dependent on Washington’s policy responses.

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Govt must weed out benami ownership

S MURLIDHARAN

As widely reported, the state-owned National Buildings Construction Corporation (NBCC) is in talks with Jaypee Infratech’s Committee of Creditors as a strong potential suitor for taking over its business. Its homebuyers have been left in the lurch, and the government is rightly trying to ameliorate their lot through sweeteners for the potential suitor, so that the half-built flats can be completed and work can be started on those that are yet to take off. This article, however, is not about the plight of homebuyers abandoned by unscrupulous developers but about the “benami” properties and their deleterious effect on the economy. (Benami property is any property that has been bought in the name of another person.)

The re-emergised and rechristened Prohibition of Benami Properties Transactions Act, 1988 (enacted in November 2016) puts the fear of God into those who hold benami properties as well as those who are in cahoots with them — i.e. those who lend their names. The Central Board of Direct Taxes (CBDT) is the lynchpin under the new-fangled law, which is empowered to confiscate benami properties without compensation.

It redounds to the credit of the Narendra Modi government that it took the bull by the horns and walked the talk, whereas earlier governments had been non-committal on the issue — so much so, that right from 1988 through 2016, benami properties simply could not be confiscated in the absence of a machinery to do so. Those in the know aver that the pusillanimity and passivity in this regard had more to do with protecting their own — every political party does have skeletons in its cupboards. Be that as it may.

Apart from losing the property held benami, both the ostensible and real owners have to cool their heels behind bars for up to seven years. A fine up to 25 per cent of the fair market value of property held benami is also leviable, which could well turn out to be the final nail in their coffins. The fact dredged up by investigators that a lot of flats have been booked in the name of benamis is significant. That they did not show up when the list of flat owners was compiled also *prima facie* hints at the more brazen form of benami holdings — holding properties through ‘ghosts’ or non-existent persons.

The more common practice is, of course, to hold them through fictitious persons or “name-lenders”. But

then, it is entirely possible that the Jaypee benamis belong to both genres. If ghosts cannot surface except in movies and television serials, name-lenders can chicken out, especially if they have been careful to hide their identities at the time they booked the flats and paid in cash. So kinds both can be elusive.

An all-out effort must be made by the investigating agencies to smoke out the name-lenders. Given the will, it is not impossible to do so and read out the riot act to them. The builder and his staff too would sing like canaries if pressured, because they would be privy to the details of the clandestine acts of the ostensible as well as real owners.

It is common knowledge that real estate and gold are preferred areas for parking black money, more particularly its supposedly inscrutable subset — benami properties. The Jaypee revelations are a godsend, though admittedly, they must be only the tip of the proverbial iceberg. But then, what the country requires is a display of ruthless and uncompromising will by the government in stamping out corruption and black money.

Firm and quick action would send shivers down the spines of the collaborators in the game, namely the ostensible and real owners of properties. Benami properties attract crooks, given the slab rate of income taxation, and it also facilitates escape from scrutiny under the “wealth-disproportionate-to-known-sources-of-income” norm applicable to public servants under the Prevention of Corruption Act.

Parenthetically, it may be mentioned in this context that the government’s move to link all immovable properties with the Aadhaar number of the owners is welcome. If bank accounts can be linked to Aadhaar and the Permanent Account Number or PAN, there is no reason why immovable properties should buck the trend. It must, however, be admitted that this move would only eliminate the ghosts but not the name-lenders, because they do carry photo-identity cards.

Nevertheless, the proposal must be implemented in all earnestness and with dispatch. With registrars insisting on PAN details, especially where the consideration is more than ₹50 lakh (tax at the rate of 1 per cent needs to be deducted in such large deals by the buyers), and PAN being linked to Aadhaar by and large, the danger from ghosts is indeed not as much as the danger emanating from name-lenders. And this danger is likely to survive and outlive the property-Aadhaar linkage.

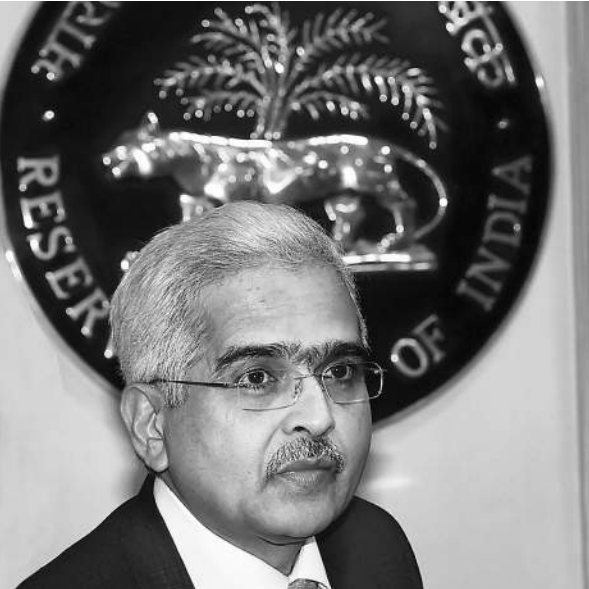
▶ OTHER VIEWS

RBI’s pause is surprising, in view of growth concerns

Given delays in transmission, it should have front-loaded the rate cuts

In an unexpected move, the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) voted unanimously in favour of leaving the policy rate unchanged. Considering that the economic slowdown has been more severe than expected, and that till the last policy, the overriding concern was to arrest it, this decision is not only surprising, but also suggests a certain incoherence of approach. Though the MPC has noted that the policy space exists for future action, with growth unlikely to pick up meaningfully in the near term, and considering the lags in transmission, rather than adopt a wait and watch approach, it should have stayed with its earlier stance of reducing policy rates further.

Several reasons have been flagged to justify maintaining status quo. The explicit concern was the recent spurt in inflation and inflation expectations. But, the current rise in inflation, led primarily by high food prices, is likely to be transitory. The other, perhaps more pressing, concern before the MPC is the Centre’s fiscal position. It is probable that the MPC wants to utilise the policy space available to it once more clarity over the government’s borrowing programme emerges. Though the governor has repeatedly said that the MPC is waiting for the



full impact of the previous rate cuts to play out, and that the timing of cuts is important, given the delays in transmission, a more prudent approach would have been to front-load the rate cuts.

The Indian Express, December 6

Knee-jerk reactions futile

Right steps will help arrest onion prices

Good for Nirmala Sitharaman if she doesn’t eat much onion. But as finance minister of a country of 1.2 billion people, for the majority of whom onion is a kitchen staple, her insensitivity towards the skyrocketing price of the humble bulb crop leaves a bad taste. As the price of onions crosses the ₹100 per kg mark across the states, both farmers and consumers — a huge constituency — are teary-eyed. Having procured the present stock in the last rabi season for a pittance, it is only the middlemen who are making a killing. That such sudden surges in the prices of basic vegetables — onions, tomatoes, potatoes — have become a regular feature speaks poorly of the politico-economic response that swings around

tweaking import and export norms. Fulfilling the PM’s poll promise of doubling farmers’ incomes requires assiduous steps to lift the agri-market. It is bogged down with hoarding, official incompetence and nexus with traders ramping up prices. To maintain a balance between ensuring a remunerative price to the growers and a lid on retail rates, farmers need to get a safety net in times of glut. Efforts to encourage them to tie up with food technology investors have not yielded the desired result. Exports and domestic use of processed, dehydrated onions as flakes, powder and granules can help see the end of distress sales.

The Tribune, December 6

India’s bail system is eroded

Denial is influenced by accused’s status

An exception cannot be allowed to become the norm. An inviolable line must separate these two in the sphere of law. The Supreme Court alluded to this basic tenet of jurisprudence while upholding the bail appeal of P Chidambaram, an accused in the INX Media case. Mr Chidambaram had been incarcerated for over 100 days in spite of the fact that he is yet to be convicted by a court. What is significant is that the top court had to reiterate the primacy of bail, while pointing out that its refusal is not the norm but the exception. Yet, there is reason to believe that the Indian legal fraternity — the lower courts especially — have chosen to adopt a conservative approach towards the bail provision.

Incidentally, the Supreme Court’s argument would find resonance in the 268th Report of the Law Commission which stated grimly that the existing system of bail had been eroded considerably, leading to the denial of bail to a vast segment of undertrials. This denial is often influenced by such markers as gender, race, ethnicity and financial status of the accused. Consequently, the Commission stated, the rich, unlike the poor who flood India’s jails, could obtain bail with relative ease. But the legacy of faulty application should not force courts to adopt a hawkish approach towards the bail clause.

The Telegraph, December 6