

Three-day weekend

Even Finnish PM Sanna Marin wants it to remain a statement of aspiration



HUMAN FACTOR

SHYAMAL MAJUMDAR

Finland's youthful Prime Minister Sanna Marin has become the darling of employees across the world due to her reported support for a four-day week. The employee advantages of this are pretty

clear: Having another day with no work and no commute can free up personal time in a big way, reduce stress and increase productivity.

Some global companies have already tried this out with great results. Microsoft Japan implemented it in August last year and said it boosted sales by 40 per cent compared to the same month the previous year. There were other benefits, too. The company's electricity consumption dropped by a quarter and there was a 59 per cent reduction in the printing of paper pages. Others have also done trial runs and experienced similar benefits. Another experiment published by the *Harvard Business Review* showed shorter work days increased productivity.

The results are not a sur-

prise as happier employees do contribute to the company's overall prosperity. In fact, throughout history, productivity has increased whenever labour works fewer hours. Henry Ford found that in 1926 when he became one of the first employers to introduce a five-day, 40-hour week. Four years later, Kellogg reduced factory accidents by over 40 per cent with the introduction of the six-hour day.

So is it time for companies to consider shifting to a four-day week? The answer, unfortunately, would be no. Even Finland is not planning to do anything like this. The "thank you" messages from employees perhaps prompted the Finnish prime minister's office to clarify soon that a four-day week is not

part of the government's plans, and is not expected to be government policy in the near future. The utter disappointment increased after it was revealed that Marin had said this before becoming the prime minister and it was more a statement of aspiration.

There is a reason why the idea of employees working for four days for a full-time wage is not feasible. Any reduction in the working days is unaffordable without a commensurate increase in productivity or a matching reduction in pay. It's true that employers will get some benefits in terms of increased productivity, morale and retention, but no company would move to a four-day week if it is not a profit-enhancing shift.

Another problem is that the four-day working week can be difficult to implement in service industries where customer demands need to be met. A Labour-backed study in the UK also warned against increasing exhaustion as contracted

employees would cram their work into four days, plus negative impacts on unskilled and zero-hours workers who need the hours to get paid.

This is because employers can't afford less than the standard full-time workweek of eight hours per day, five days a week. If they switch to a four-day week, employees will still have to work 40 hours at the rate of 10 hours per day for four days. So while people may feel refreshed by having an extra day off of work each week, they may also experience a drop in productivity after so many hours at work in a single day.

In the U.S., Treehouse, a large tech HR firm, implemented a four-day week in 2016, but as the firm failed to keep up with competition, it reverted to a five-day week. "It's simply hard to compete if you're working 80 per cent of the time your competitors are," chief executive Ryan Carson told *The Washington Post*.

Broadly, there is obviously a need to bring down the total

working hours in a week. Research has shown that employee output falls sharply after a 50-hour-work-week, and falls off a cliff after 55 hours — so much so that someone who puts in 70 hours produces nothing more with those extra 15 hours. This is evidence that those extra late nights in the office don't necessarily boost output, and can put even rational employees on the edge.

The danger is that the CEO would end up with a bunch of multi-tasking, channel-flipping, fast-forwarding zombies, who are always banging the lift button without realising that it will only stop working.

But India Inc can hardly afford a four-day week as it's simply too expensive. Implementing such a concept would invariably mean recruiting more people — something which is not economically sustainable. So at this point, it's better to stick to flexible working hours, work from home, etc and let four-day week remain just an aspiration.

MCA vs NCLAT: Truce or war?

The National Company Law Appellate Tribunal's latest judgment on the RoC application in the Tata-Mistry case has made the fight interesting on many counts



J N GUPTA

In the Tata-Mistry case, the issue boils down to this: The Registrar of Companies (RoC) feels that there are strictures against it although it had acted within the law. The National Company Law Appellate Tribunal (NCLAT), however, feels that it has not cast aspersions on the RoC and has not passed any strictures.

The NCLAT held conversion of Tata Sons from deemed "public" to "private" company as illegal and observed that it was done "with the help of the RoC just before filing of the appeal". The RoC feels it has complied with the law and hence the use of the word "helped" amounts to casting aspersions on its conduct. It is a Hobson's choice for both: The RoC cannot accept helping Tata in any manner without accepting that the conversion was illegal, whereas the NCLAT cannot expunge the word "helped" as it will make the action of the RoC compliant with law, shaking the foundation of the NCLAT's order. Hence a royal stalemate.

Absence of law?

Can commercial and corporate function come to a standstill if lawmakers fail to make laws? How should the

wheels of commerce continue to run? What is a private company? Can one form a private company at present? Can one convert a public into a private one?

Section 2(68) of Companies Act 2013 defines a "private company" as a company having a minimum paid-up share capital as may be prescribed. The RoC has stated before the NCLAT that no minimum capital has been prescribed. In that case, can the RoC register a private company? Should all companies become public? The logical answer is no.

If one goes by para 15 of NCLAT judgment of January 6, 2020, it appears that the RoC does not have any power in case the minimum capital is not prescribed.

"...in absence of any prescription of minimum paid up share capital, the Registrar of Companies has no power or jurisdiction to carry out any changes in the Register of Companies or Certificate of Incorporation...."

The NCLAT judgment means that under the 2013 Act, no private company could be incorporated; all companies registered as private post the Act, would be illegal.

The NCLAT's ruling contrasts with the ruling of the Supreme Court in *Orissa State v/s. M/s Orient Paper Mills* (2003.03.10) where it said:

"...Where a statute confers powers on an authority to do certain acts or exercise power in respect of certain matters, subject to rules, the exercise of power conferred by the statute does not depend on the existence of rules unless the statute expressly provides for the same. In other words framing of the rules is not condition precedent to the exercise of the power expressly and unconditionally conferred by the statute. The expression "subject to the rules" only means, in

ILLUSTRATION: BINAY SINHA



accordance with the rules, if any. If rules are framed, the powers so conferred on authority could be exercised in accordance with these rules. But if no rules are framed there is no void and the authority is not precluded from exercising the power conferred by the statute...."

Therefore no void is created and the wheels of commerce can function without any hitch; the RoC could act within its jurisdiction even though the rules had not been framed.

Conversion to private company

What is the procedure of conversion? On the procedure part, RoC Mumbai asserts that till January 30, 2019, Section 43A (2A) of the Act of 1956 was operative.

"(2A) Where a public company referred to in sub-section (2) becomes a private company on or after the commencement of the Companies (Amendment) Act, 2000, such company shall inform the Registrar that it has become a private company and thereupon the Registrar shall substitute the word 'private company' for the word 'public company' in the name of the company upon the register and shall also make the necessary alterations in the certificate of incorporation issued to the company and in its memorandum of association within four weeks from the date of application made by the company!."

While the NCLAT in para 17 has said that the RoC had omitted mention of Section 43A(4), it appears the NCLAT

had overlooked the fact that Section 43A(4) was repealed way back in 2000. Should RoC follow a current law or a repealed one?

The NCLAT judgement, has quoted Section 18 of Companies Act 2013 also: "A company of any class registered under this Act may convert itself as a company of other class..."

Section 18 is not applicable to Tata Sons because it has not been registered under Act of 2013. In the 2013 Act, there is no place for hybrid companies such as Tata Sons — private by functioning and public by fiction of law. Once the fiction disappears, dual nature automatically disappears.

Contempt of NCLAT order?

NCLAT in its judgment of December 2019, under Para 187(iv), ordered RoC to issue a new certificate of incorporation to Tata Sons. There was no stay of order. The RoC has not yet carried out the required changes. It is in Catch-22 situation: If it does not appeal and change registration certificate, it would admit it acted illegally. In that case, it would be Tata Sons that would drag the RoC to the Supreme Court and there it will be in a precarious position, admitting that it acted illegally and make arguments totally opposite to that it made at the NCLAT. And if the RoC appeals in the SC, it will be continuation of war and not truce between MCA and NCLAT. That might be better as it would save the RoC some embarrassment. The MCA needs to demonstrate that it believes in the interpretation of law it has created.

Whatever the decision of the RoC, it will be an interesting battle ahead for all corporate law practitioners.

The author is managing director, Stakeholders Empowerment Services

INSIGHT

A royal family spinoff

Allowing some royals to step away from "senior" status makes sense if you think of the British monarchy as a business

SARAH GREEN CARMICHAEL

The announcement by Prince Harry and Meghan Markle — aka the Duke and Duchess of Sussex — that they're stepping back from being "senior" members of Britain's Royal Family should have come as no great surprise to royal watchers who have watched the pair struggle in the glare of the spotlight over the past year.

Insiders sometimes call the royals "The Firm," and perhaps that analogy is useful to understanding their desire to live, shall we say, a more entrepreneurial life. (Buckingham Palace seems to have been caught flat-footed by their pivot.)

The shift is consistent with a long-term strategic plan attributed to Prince Charles, who has indicated that he favours a slimmed-down monarchy with fewer people called upon to play the role of senior executive. He wants the focus to be mainly on the monarch and those in the line of succession. In this case, that's the Queen, himself, his son Prince William, and William's oldest child, Prince George. It's not the Sussexes, as much as the media loves covering them.

This means not only jettisoning some liabilities — think of Jeffrey Epstein-linked Prince Andrew — but also divesting some potential assets, like the Sussexes, into independent entities, if they don't fit with the strategic vision.

Think about it. To succeed, an organisation needs to focus. The essence of competitive strategy is not only deciding what you will do, but being firm on what you will not do. The royal family doesn't get to pick its relatives any more than you or I, but they can decide who lives off the public purse, who counts as "senior" and who does not.



There's no doubt they'd prefer to keep the focus firmly on the royals who burnish the family brand. Over the past couple of years, Prince William and his wife, Kate Middleton — the Duke and Duchess of Cambridge — have taken on an increasing number of public engagements of the kind the crown would like to see more of: carefully staged ribbon cuttings, sidewalk meet-and-greets, charity work. They share adorable photos of their adorable children (often snapped by Kate herself). They weathered unsubstantiated rumours about their marriage and a falling-out with friends with hardly a backward glance.

By contrast, the Sussexes have managed over the past couple of years to snatch defeat from the jaws of victory several times. They've repeatedly failed to coordinate major announcements with the palace — Wednesday's kerfuffle being just the latest, and maybe the craziest, example. Last fall, they torpedoed the good public relations they'd earned on a tour of South Africa by launching an ill-considered lawsuit against the press just as the visit was ending. They also fumbled the public aspect of baby Archie's birth — which is usually a pretty hands-down positive royal news story — by promising to share some details with the public, but then holding most of those details in strict

secrecy. And, fairly or not, they struck people as hypocritical by extolling personal efforts to mitigate climate change while, like most rich people, living a pretty carbon-intensive lifestyle. When their celebrity friends rushed to defend them, it only made the public angrier.

While these may seem like tempests in so many gilded teapots, and while some of the criticisms seem wildly unfair — would we prefer elites who didn't care about the climate at all? — taken as a whole, they run the risk of eroding the Firm's "customer base." In other words, each dust-up has the potential to make British taxpayers ask, Hey, do we really need to keep supporting these toffs? Roughly a quarter of younger Brits would like to abolish the monarchy, polls show, and that's with an enormously popular Queen about to reach her 68th year as monarch.

After so many own-goals, it's not surprising that senior management might want to "make some changes," as the old corporate euphemism goes, or that the Sussexes themselves would want a sort of career change. They have clearly struggled to balance the public and private aspects of royal life, and frankly, seem pretty miserable doing the job they've been trying to do since their wedding. Harry and Meghan have issues they care deeply about and want to have a public voice on; their job in the family business has been to keep quiet and smile. Seen in that light, they haven't really been hitting their performance targets — and they probably don't find the work all that fulfilling.

Perhaps this is one spinoff that could work for everyone involved.

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LETTERS

Double standards



This refers to "Mamata to skip oppn meet; cites violence by Left, Cong during strike in WB" (January 9). It was interesting to learn that West Bengal Chief Minister Mamata Banerjee (pictured) has announced that she will boycott the Opposition meeting convened by Congress president Sonia Gandhi on January 13 to protest the violence unleashed in the state allegedly by Left Front and Congress workers during a trade union strike. Various parts of West Bengal have been witness to massive incidents of violence and arson, blocking of railway tracks and roads by protestors trying to enforce a shut-down. Well done, Mamata, for taking such a bold stand. But will she also kindly recall that her own state was marred by huge political violence let loose by Trinamool Congress activists both during last year's Lok Sabha polls and the by-elections to the state Assembly? Why such "double standards"?

Kumar Gupt Panchkula

Improving governance

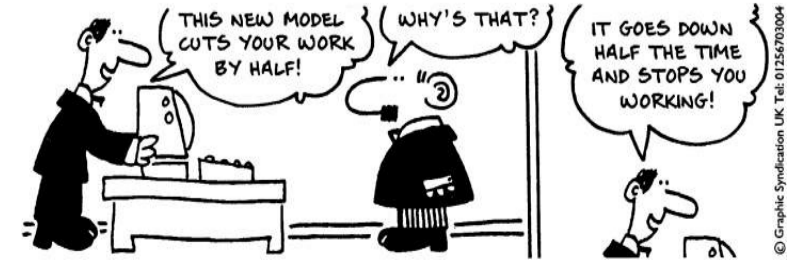
This refers to the front page report "Breather for India Inc likely on CMD norm" by Shrimi Choudhary (January 9). The extension of the March 31 deadline by the Securities and Exchange Board of India (Sebi) may help the 247 top companies — includ-

ing the big ones — identify suitable people for one of the two — chairman or managing director (MD)/chief executive officer (CEO) — roles but I do hope the "extension" is not a precursor to watering down the excellent proposal that promises to improve our corporate governance norms. There is, of course, the possibility that many corporations will only end up having merely titular/dummy and powerless nominees as chairmen and the MDs/CEOs will continue to exercise unfettered control with some "ineffective" independent directors on board. But even so, splitting the top two posts will do a lot of good.

Sebi Chairman Ajay Tyagi neither accepting nor denying the "possibility of considering a relaxation" creates the feeling that there could indeed be a relaxation of the good measure. The Uday Kotak Committee had made this suggestion — to separate the roles of chairperson and MD/CEO — to improve corporate governance in India, a much needed reform in line with global practices — and it would be useful to follow the same for the overall good of the Indian corporate sector.

Krishan Kalra Gurugram

HAMBONE



CHINESE WHISPERS

Chacha bhatija 'together'



With the Citizenship Amendment Act (CAA) setting the political narrative in the country, smaller and fringe parties have found a perfect opportunity to get attention. One such is the Pragatisheel Samajwadi Party (Lohia) headed by Shivpal Singh Yadav (pictured). However, for the estranged uncle of Samajwadi Party chief Akhilesh Yadav, this is also an opportunity to express solidarity with his nephew and explore reconciliation with the rest of the clan as some put it. Shivpal, aka *chacha*, recently said that vested interests were "fanning communalism in the name of nationalism under the garb of the CAA" and that his party would make every effort to thwart the nefarious designs of such protesters. In saying so, he found himself on the same page as Akhilesh, who, recently flagged off a cycle march of Samajwadi Party MLAs against the CAA, National Register of Citizens and National Population Register. Is something brewing in UP's first political family?

Two in one

To separate or not to separate is the dilemma faced by many Indian promoters whose companies have not split the offices of chairman and managing director (MD). A firm, which had appointed a head hunter to search for a managing director, has put its plan on hold and is likely to allow its promoter to continue as chairman and MD. Almost half the top 500 listed companies appear unprepared to meet the current Securities and Exchange Board of India (Sebi) deadline. On Wednesday, it was reported that Sebi was considering relaxing the March 31 deadline for listed companies to separate the positions.

Relax! It's not about JNU

External Affairs Minister S Jaishankar's statement — that the "tukde tukde" gang did not exist when he was a student at Jawaharlal Nehru University (JNU) — in response to a question on the recent violence in the university campus expectedly grabbed eyeballs earlier this week. The afterstory was just as interesting. It so happened that immediately after Jaishankar's remark, the microphone was passed on to a questioner who happened to be a JNU student. As she identified herself and said that she was enrolled in the International Relations programme, there was an awkward silence, followed by nervous laughter in the audience. The woman clarified that her question was not about JNU and she proceeded to probe the minister on India-China relations.

YG Chouksey Pune

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard, Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi 110 002. Fax: (011) 23720201. E-mail: letters@bstandard.com. All letters must have a postal address and telephone number.

Opening up mining

Removal of end-use restrictions is a major step forward

The Union Cabinet on Wednesday cleared an Ordinance that, in effect, opened up India's mineral extraction sector to commercial mining companies of both local and foreign ownership. The Mineral Laws (Amendment) Ordinance 2020 amends both the Mines and Minerals (Development and Regulation) Act of 1957 and the Coal Mines (Special Provisions) Act of 2015. This sets in motion the process by which mining leases can be auctioned. Any company registered in India can bid and develop coal blocks, which means that previous restrictions — such as compulsory mining experience or a presence in specified sectors such as power or iron and steel — have been removed. In other words, there will be no end-use restrictions on the auctioned leases. This is a major step forward for commercial mining and for general efficiency in the sector, which has hitherto been dominated by the state.

The government has claimed that its changes to the coal-mining regimen in the country will ensure that the import bill is reduced. More than 200 coal blocks are eventually to be auctioned, according to the authorities, which they claim could eventually produce as much as 400 million tonnes a year. Even a partial movement towards that target would considerably reduce India's import bill of about \$15 billion. There is no reason for the country to be importing thermal coal in particular, of which it has ample reserves. High-quality coking coal, however, may have to continue to be imported. The iron ore sector, meanwhile, is also being affected. Leases for 46 mines that are currently operational are due to run out in a couple of months. This Ordinance will open up the market, a step which has long been hoped for. However, to attain desired results, the government will also have to work on other legal and administrative changes so that output moves efficiently.

NITI Aayog Chief Executive Officer Amitabh Kant has tweeted that it is "finally the end of coal nationalisation" in India. Currently, Coal India and Singareni Collieries account for more than 90 per cent of India's coal production. Some of this will now be taken up by both India-based companies and multinationals. This will be a wake-up call for Coal India, which will have to improve efficiency in both extraction and delivery if it is to maintain market share. The coal minister has insisted that there will be no impact on Coal India, but that remains to be seen. Competition and efficiency in the sector are overdue. The government is also to be commended for ensuring that the legal framework is in place rather than relying on purely administrative shortcuts, as was the norm prior to the coal judgment of the Supreme Court some years ago. However, some caution is still warranted. The financial and "fit and proper" norms for bidders will have to be carefully designed. It is also essential that the government keeps in mind its other commitments, including on climate change. Further, the banking sector is still state-controlled and it should be careful to not over-lead to a sector that is globally facing a supply glut. A build-up of stranded and non-performing assets would be in nobody's interests.

Irrational demand

Licence-linked dues from non-telcos should be reviewed

The Supreme Court order defining telecom revenue has landed a number of non-telecom companies in the soup because they are saddled with a demand of close to ₹3 trillion. These companies will have to pay licence-linked dues based on their overall revenues, which have very little to do with telecom, after the apex court, in an order in October last year, upheld the government's definition of adjusted gross revenues (AGR) for telecom licensees. AGR is the revenue amount used to calculate the licence fee and spectrum charges paid by telecom companies to the Department of Telecommunication (DoT). As a result of the order, non-telecom companies including GAIL, RailTel, and PowerGrid, need to together cough up ₹2.97 trillion, which is more than double what telcos will have to pay. The numbers are baffling — GAIL (India) has to pay ₹1.72 trillion, which is more than three times its net worth and several times the actual revenue earned. The company has claimed that it earned only ₹35 crore as revenue from its telecom business since 2001-02. PowerGrid will have to pay an astounding ₹22,168 crore, while Gujarat Narmada Valley Fertilisers and Chemicals needs to pay ₹15,019 crore and RailTel ₹290 crore.

While the court verdict has put telcos in the dock at a time when they are running deep losses with some on the verge of default, the others with internet service provider (ISP) licences or those having licences to meet their internal communication needs have been caught in the legal crossfire without any reason. Many of these companies, after taking communication-linked licences, never operated those businesses, and some others ran very minuscule telecom/internet operations while their primary business interests ranged from energy to power to broadcasting services. Instead of fighting on their behalf in the court, the DoT has sent out notices to non-telcos for paying up the dues by January 24. The DoT should have stepped in proactively in the case to argue the irrationality of bringing non-telcos under the ambit of the judgment. In the absence of the court order, making a distinction between telcos and non-telcos, the DoT, which has been the prime mover in the AGR case, should have been responsible enough to intervene when required.

For the government, the AGR payout by telcos and non-telcos adding up to ₹4.41 trillion would be a timely help in meeting the revenue target this financial year. But the government should avoid falling into this trap. Any irrational levy on businesses (non-telcos who are part of the SC order in this case) may boomerang and that's something that should have been avoided. The Supreme Court, which refused an open court hearing in the matter earlier this week, is expected to hear the petition moved by the industry ahead of the January 24 AGR payout deadline in a closed chamber. The expectation from the top court is that it will review its earlier order in the case of non-telcos so that they can put their focus back on their respective core businesses.

ILLUSTRATION: BINAY SINHA



A force to reckon with

Through the position of CDS, the military gets a say in governance. Should we worry about it?

India has given its military a formal say in how government is to be run. The long-term consequences of this are unclear, but what is clear is that we will not be able to avoid them. They will come. The record of military in government in our part of the world is not encouraging, and keeping soldiers at arm's length has always been wise.

It is not particularly understood that the military capture of Pakistan happened because of a civilian initiative to introduce soldiers into government. Gen Ayub Khan, the army chief, was made a minister in the cabinet while he was still a serving officer. When things became sticky (in the language of our times, when the anti-nationals were up to no good), it was easy for the general to push his fellow ministers aside and take over because he had control over more force. That is the simplest and most direct explanation for why Pakistan remains, even today in 2020, totally beholden to its warriors in matters concerning internal and external affairs as well as the economy.

India has created a new position in its military, the chief of defence staff (CDS). In doing so, the government has also brought the position inside the administration by additionally making the CDS a secretary — in fact, the most powerful secretary in the defence ministry. Why they did this is unclear. The CDS (and I assure you it will always be a man) will be in charge of military affairs and advise the defence minister. He will not hold formal military command and the three service chiefs will not report to him but as the person in control of promotions and postings, he will, in fact, influence military command and they will, in fact, report to him. And in his role as the defence ministry's most powerful sec-

retary, he will have the civilian side of the ministry subordinate to him. Because we have unified all this, the CDS will have more control over the military than the defence minister.

Has any of this been thought through? Of course, it hasn't. When leadership radiates genius and certitude, why should it bother with details and the opinions of others? I asked the two most well-informed reporters on defence matters (this organ's correspondent and that of *The Indian Express*, both soldiers themselves) whether it had been debated in public before being announced and they didn't think it was done.

What must we now worry about? The first thing is that Indians have never had a say in how their Army is to be run. One of the problems with the 1935 Government of India Act was that the largest head of the budget, the Army, was outside the purview of Indians. This is no different from how it remains today. It is scandalous and outright treason to suggest that the ₹4 trillion or more that we spend on military and paramilitary might be too much. It does not even occur as a

question in politics: All parties outdo each other in promising more money for defence. The second thing is that the creation of positions for specific individuals, as has likely happened in this instance, is not without danger. The CDS has already offered his opinion on politics and said that what the opposition is doing regarding the Citizenship Amendment Act is not leadership.

The third thing is that we must not assume that a force inside government will not assert itself. It will. Of course it will believe that it is doing something good and for the right reason: All forces think that. The question is whether you want the most powerful one to have a say in government. India's



AAKAR PATEL

Policy challenges with 5 per cent growth

The Indian economy, according to the first advance estimates of gross domestic product (GDP) for the current financial year, is expected to expand by 5 per cent, compared with 6.8 per cent last year. The nominal growth is likely to slip to 7.5 per cent, compared with the assumption of 12 per cent in the July Budget. The decline in growth can lead to a variety of problems, particularly in managing corporate and government finances. While growth estimates did not surprise anyone, the big question is: How fast can India return to a higher growth path? Therefore, in the given backdrop, 2020 will perhaps be the most important year for economic policy in recent times. The first step will be the Union Budget.

Government finances are in stress and revenue collection might fall short by at least ₹2 trillion in the current financial year. Although the government is reportedly compressing expenditure, most analysts expect it to overshoot the fiscal deficit target of 3.3 per cent of GDP. However, it will now be important to see how the government intends to manage its finances in the next financial year, and beyond. Some commentators have argued in favour of running a higher deficit to support demand. It is being suggested that the government should not worry about the fiscal deficit and focus on reviving growth. The government would be well advised to carefully evaluate its options and not fall for what now looks like a popular demand. It is worth highlighting that if the actual public sector deficit of 8-9 per cent of GDP is not able to push demand adequately, it is highly unlikely that further expansion of, say, worth 1-1.5 per cent of

GDP will sustainably revive economic activity. Also, the government should not be seen as taking fiscal constraints lightly. Both international and domestic financial markets care deeply about government borrowing and debt sustainability. Loss of confidence, or a possibility of a ratings downgrade, will significantly increase risks to macroeconomic stability and affect growth outlook in the medium term. Besides, additional government borrowings will choke the financial system, crowd out the private sector, and increase challenges for the Reserve Bank of India (RBI) in conducting monetary policy.

The policy path for the RBI will not be easy, anyway. After cutting the policy rate by 135 basis points in the current cycle, it is now trying to influence yields by intervening in the bond market. Since the accommodative stance of large central banks, particularly the US Federal Reserve, would lead to a continued inflow of foreign funds — assuming the situation in West Asia will not result in higher risk aversion — liquidity management will become tricky for the RBI. Necessary intervention in the currency market to avoid rupee appreciation will add to excess domestic liquidity. The monetary policy committee (MPC) did not cut policy rate in its last meeting, largely because of inflation risks, but excess liquidity in the system for too long can complicate policy management. Further, given the uncertainties, it will be difficult for the MPC to cut rates in the near term. However, if it decides to ignore inflation for a while to support growth, it will need to effectively communicate how far it intends

military has always been a colonialist institution. I trust one can be blunt here without causing offence. The fact is that the same regiments, which for 250 years had been bayonetting and bombing Indians before August 14, 1947, were charged with protecting Indians the following day. Our response cannot be that our soldiers are all loyal and love the country and would never do anything to harm it. That is not how adults debate.

The fourth thing is that we are too afraid to even discuss such things. *The Indian Express* reported a few years ago about the unusual troop movement ordered by the then army chief (who is today a minister). The government freaked out because it didn't know if this movement was being directed against it. The newspaper report was accurate and factual but it was derided because the army chief cannot do any such thing.

Less noticed was a report on these pages published a few days before *The Indian Express* report. I physically sat up when I came across this paragraph: "Consider the appointments made by the current army chief, General Singh, from his Rajput Regiment. While Singh has been a relatively fair chief, he has posted officers from the regiment to practically every crucial appointment: The deputy chief of army staff, the director general of military operations, the adjutant general (responsible for discipline and manpower planning), the military secretary who posts and promotes officers, and the additional director general of administration & coordination. In addition, Rajput officers were placed at the head of key formations around Delhi: The Delhi Area which controls military installations around the capital, and the Meerut-based 22 Infantry Division."

On September 23, 2015, *The Hindu* published an editorial, which said: "The Technical Support Division, a covert intelligence unit of the Army raised during the tenure of General V K Singh as Army chief, is in the news for all the wrong reasons. The revelation that sensitive documents relating to it were destroyed illegally in 2012, in the final days of General Singh's tenure — he is a Union Minister today — deserves a thorough and serious inquiry. The TSD has faced allegations that it misused funds earmarked for secret service operations, indulged in unauthorised surveillance and made attempts to destabilise the Jammu and Kashmir government. Some of these charges are attributed to the findings of an inquiry report by a Board of Officers. The latest exposé by this newspaper, with documentary evidence, shows that between May 22 and May 25, 2012, the Pune-based Southern Army Command assembled two different boards of officers to destroy all TSD-related documents in its possession."

If you haven't heard much about this, the reason is that the media thinks it is out of bounds even to discuss such things. And it is in this environment that this prime minister has given the military an even larger role and a say in the doings inside government.



REAL TERMS

RAJESH KUMAR

Technology and government



BOOK REVIEW

PRAVEEN CHAKRAVARTY

India is considering a transition to the next generation 5G telecom technology. Chinese telecom giant Huawei is the world's leading provider of 5G technology, far superior and cheaper than its rivals. But the United States has alleged that Huawei is a Chinese government-controlled company in disguise and China indulges in unlawful surveillance and spying of people using Huawei's data. It has banned Huawei. Canada, Australia, New Zealand and some parts of Europe have joined the US in banning Huawei.

In this context, should Prime Minister Narendra Modi and his government allow a free market for 5G equipment or protect Indians from potential surveillance by the Chinese government, as alleged by the US?

History can offer some lessons from the past for this quandary, argues Arun Mohan Sukumar in his delightful book *Midnight's Machines: A Political History of Technology in India*. The book is a fascinating chronicle of the history of technology in independent India, the similar dilemmas that our leaders faced, the technology choices that they made and their consequences.

First off, kudos to the author for this enthralling idea for a book. Independent India's tryst with technology has been an equally critical component of India's development over the last seven decades, yet under-researched and under-published. This book fills the void, to some extent.

The book is erudite, scholarly yet

eminently readable. The book's standout feature is its writing with its crisp, punchy and vivid prose. The copious research by the author is packaged and presented through interesting stories, events and anecdotes, devoid of dense technology jargon.

The author draws an interesting parallel with the Huawei dilemma from the 1980s when India was caught in the crossfire of technology spats between two world powers then — the US and Japan. Japan was the rising power, threatening to unseat the US in technological dominance just when India's technology savvy prime minister, Rajiv Gandhi wished to propel India into the world of



MIDNIGHT'S MACHINES: A Political History of Technology in India

Author: Arun Mohan Sukumar
Publisher: Penguin
Price: ₹599
Pages: 272

counter-factual can neither be proven nor verified. Often, policy choices on important matters can be a bit more complex and nuanced than the author makes it seem.

The other pet peeve of the author

seems to be the idea of an "appropriate technology" for a nation which he beautifully illustrates with the story of India's "solar cooker versus satellite" technological debate in the 1950s. In 1952, the shiny new public sector entity National Physical Laboratories (NPL) announced the invention of a solar cooker that would ostensibly free poor Indians from wood and cow dung stoves. The product was announced and demonstrated with great fanfare eliciting international attention from *The New York Times*, *Washington Post*, BBC and so on. Realisation dawned soon that the solar cooker would cost ₹50, a princely sum in 1950s India and, more importantly, will not be ready to cook breakfast just after sunrise when most households needed it. The project was abandoned. The author extrapolates this to imply that the entire debate of appropriate technology for a nation is futile and castigates the role of government in technology choices. But the private sector is equally culpable of a wrong "appropriate technology" decision as the Tata Motors' vaunted

Nano car project showed. The author believes that appropriateness of technology is a fallacious idea and is scathing in his criticism of the then political leadership for settling for an "appropriate" technology rather than the latest technology.

The book is well structured and takes the reader chronologically through the important events and milestones in India's political history of technology. The only distraction to this flow is the sudden "Ode" to three technocrats whom the author feels have made an indelible impact on India's technological development, which seems like a needless outlier to the book's deeper context and purpose.

The book sets up an excellent framework for rich debates and discussions that are extremely relevant today. It is undeniable that technologies such as internet, social media and smart phones' impact on society are profound and complex.

The reviewer is a political economist and a former scholar in a think tank

Opinion

THURSDAY, JANUARY 9, 2020



SERIOUS CHARGE

Congress leader Rahul Gandhi

The Modi-Shah Govt's anti people, anti labour policies have created catastrophic unemployment & are weakening our PSUs to justify their sale to Modi's crony capitalist friends

Growth in FY20 looks like it could be even less than 5%

Apart from the issue of credit availability not being fixed, there is little visibility on investment picking up soon

THE QUIBBLE THAT most economists seem to have with the advance estimates for FY20—which put GDP growth for the year at 5%—is that growth in consumption seems to have been overestimated. The asking rate for private consumption in H2 of 7.3% year-on-year (y-o-y) does appear challenging given the reading in H1 was just 4.1% y-o-y. To be sure, H2 covers the festive season and holiday season too, but the festive season was a dull one and manufacturers haven't reported any meaningful increase in consumer spends. To assume, therefore, that there would be a big upswing in demand in the last few months of the year might be stretching it. As analysts at Nomura point out, viewed from a three-month moving average basis, most consumption-demand indicators remain deep in contractionary territory. And, given little else is changing on the ground—one doesn't read about bigger investments or more jobs being created—it is not clear why and how consumers will be spending more. Real wages for rural workers actually contracted in September-November period, suggesting the farm economy remains in the doldrums. If analysts are talking of 'better' momentum in some categories, they are often referring to a smaller contraction in sales volumes rather than any big jump in buying; for instance, car sales fell only 8.1% y-o-y in November compared with 18.3% y-o-y in October.

The other over-estimation by the CSO, where consumption is concerned, lies in government expenditure, where the implied growth for H2 is 8.5% y-o-y. Unless there has been a rethink on the deficit—the government does not intend to prune expenditure, but to spend as planned—an increase of 8.5% y-o-y looks very unlikely. The fact is consumer confidence has slipped and can only be revived once more investment takes place. The capex data for Q3 FY20 was slightly better, but doesn't reflect any major change in the investment environment. New projects announcements were up 38% y-o-y, but more than 60% of the projects, analysts pointed out, had poor visibility. Moreover, not many more projects are being completed; the growth was flat. Unfortunately, many projects that had taken off have been halted midway for various reasons, data from CMI showed. Much of this ties in with the production data in sectors such as coal, steel, cement or electricity, where there has been a fair bit of contraction in October and November. Against this backdrop, the CSO's estimate that the industry would grow 3.8% in H2 too seems optimistic, even if the government pushes infrastructure projects; industry grew at a lowly 0.6% in H1.

The macro environment isn't reassuring, banks remain reluctant to lend, except to the very best customers and the NPA problem isn't quite over. So, it is difficult to see credit flows improving meaningfully for at least another six months. Worse, prices of several commodities—including crude oil—have been going up, suggesting inflation could spike. Therefore, even if the fisc is tightly controlled, chances of interest rates coming down further now look remote. There is also bad news from the rest of the world, especially the US, where chances of a recession are rising as suspected, when the yield curve saw an inversion late last year; a recent *Reuters* poll said an economic rebound is not expected soon. That seems to be much the story for India too. The worst is not over, and FY20 could see the economy grow at sub-5%.

Minority interests

SC allows regulation of teacher selection in minority institutions

THE SUPREME COURT upholding the constitutionality of the West Bengal Madrasah Service Commission Act 2008, observing that minority institutions don't enjoy "an absolute and unqualified right of appointment", sets a welcome precedent. It opens the doors for the government to regulate the appointment of teachers at such institutions, in order to ensure excellence in education. The SC overturned the 2015 verdict of the Calcutta High Court that had declared the Act *ultra vires* of Article 30 of the Constitution that preserves the right of minorities to establish and administer educational institutes, saying that it violated the right of the minority institution to appoint its own teachers. The SC judgment, by Justices Arun Mishra and UU Lalit, underscores the need to strike a balance between the upholding the academic interest of students & preserving standards of excellence and the right of minorities to establish/administer educational institutions. To be sure, government regulation must mean that experts do the selection rather than it facilitating political appointments—in the West Bengal case, the Act mandates that the chairperson of the committee be an eminent educationist with profound knowledge in Islamic culture, while three other members are eminent educationists with one having deep knowledge of Islamic theology, and the fifth being a legal/administrative expert.

The bench invoked a clutch of judgments, including the 2002 *TMA Pai Foundation* one delivered by a 11-judge bench, that held, "The right under Article 30(1) cannot be such as to override the national interest or to prevent the government from framing regulations in that behalf... the right under Article 30 is not so absolute as to be above the law." The SC, in the present case, observed that regulation framed in the national interest must apply to all institutions regardless of the community that runs them. The court relied on the secular/otherwise touchstone adopted in the *TMA Pai* case to offer clarity on what would constitute national interest. In the *TMA Pai* case, the apex court had considered two categories of institutions—one that imparts education "dealing with preservation and protection of the heritage, culture, script and special characteristics of a religious or linguistic minority" and another that deals with "secular education". In the present matter, the SC said, "In the first category, maximum latitude may be given to the management of the concerned minority institutions... However, when it comes to the second category of institutions, the governing criteria must be to see... the institution achieves excellence and imparts best possible education."

Pushing merit over other considerations for teaching of "secular" subjects at minority institutions ensures that students don't lag their peers at non-minority institutions—a 2014 study in Karnataka had shown that 80% of madrasa students did not get to learn science, mathematics and social science while over half didn't get to learn English—all subjects that are key to future employability.

Deadly DENIAL

Australia's deadly bushfires are fanning even wider climate denialism

AS COUNTRIES, INCLUDING Australia, drag their feet on climate action, Australia burns. Nearly half a billion of its flora and fauna have been reduced to cinders—some species, native only to Down Under, now face certain extinction. A third of the land on the island that is the only natural home to some unique animals, some of which had been brought back from the brink of getting wiped out, has been scorched by the bushfires which have been raging since late December, NASA images show. But, visuals of neither singed and raw koalas nor of a charred baby roo whose remains hung from a wire fence have done anything to cause the Australian government to get real on climate change. Instead, 10,000 camels will be shot because they drink too much water and fire-ravaged Australians of the *Homo sapiens* kind can ill-afford to share water with 'lessers' mammals.

The irony is climate denialism is thriving like never before in the country. Given how research shows that conservatives are more likely to be climate sceptics than progressives—worse, there is also research showing that presenting scientific information to climate-sceptics causes them to dig in their heels—it is not surprising that Australia's right-wing political parties are mainstreaming denialism from podiums. Even PM Scott Morrison is guilty. This is affecting solutions, since it would mean more government intervention. Denialism gets more "favourable exposure" in mainstream media while, Ipsos polling shows, Australia lags other countries in acknowledging the threat of climate change. It isn't just Australia, the US is headed by a climate denier and Brazil by a man who has blamed the loss of the country's forests to, believe it or not, climate activists. If this is the path the big economies insist on taking, the world will fry.

GDP GROWTH

GROWTH-INFLATION MIX IN NEAR TERM LIMITS ROOM FOR LARGE POLICY STIMULUS... FY21 BUDGET HAS TO EXPLORE WAYS TO MAXIMISE IMPACT OF LIMITED RESOURCES

Growth revival won't be easy, the onus is on fiscal policy

THE OFFICIAL FIRST Advance Estimate of FY20 GDP growth is 5% (see *graphic*), and further shallow cuts, on balance, are likely in future revisions (to 4.7–4.8%), given the expected dynamics of growth drivers in Q3 and Q4. The current estimate is derived largely by extrapolating the available data for 7-8 months onto the full year. Some components of the GDP (e.g. IIP) are estimated using the ratio of (seasonally adjusted) prints of the seven months to the annual values "of past years". Other extrapolations used are financial results of listed companies up to Q2, first advance estimates of crop output, accounts of the Centre and state governments, bank deposits and credit, commercial vehicle sales, volume indicators of freight, etc. The performance on most of these metrics had been quite poor in H1, but many high frequency indicators of economic activity have improved in November and December. However, constraints on central and state governments' spending, continuing weak or only slightly improved credit off-take and likely financial markets volatility will probably keep the expected recovery in Q4 very modest.

The two most striking aspects of the growth forecasts were the very sharp, almost precipitous, drop in fixed capital investment and the low nominal growth rate. The latter is both the cause and effect of shortfalls in government tax collections, slower corporate profit

SAUGATA BHATTACHARYA

Senior vice president, Business and Economic Research, Axis Bank. Views are personal



growth, and multiple other metrics that are linked more to nominal rather than real (i.e., inflation adjusted) activity. The fiscal arithmetic of the Centre will be impacted and limit a slippage from the budgeted fiscal deficit within the ambit of FRBM on additional spends. The worry is the former, which is the real cause and amplifier of the slowdown, particularly in the manufacturing segment. Capex (real) growth is forecast to have fallen to 1% in FY20, from an average of 9% in the previous three years, and 6% since the start of the current GDP series. The Centre's recently released National Infrastructure Pipeline project needs to be expedited, amongst various other measures.

Juxtaposed against this slowdown is the likely high CPI headline inflation print for December 2019, which we forecast at 6.9% with upside risk. Even WPI inflation in December is expected to rise sharply to 2.6% from 0.6% the previous month. Although the rise is due to onions and a couple of other vegetables, and is likely to correct in January, CPI inflation, even excluding onions, has moved up

since September 2019. The proximate reason has been the "protein complex"—meat, fish, eggs and pulses (see *graphic*). Globally, too, food prices have moved up sharply, although this has been mostly due to pork prices in China. Despite the rise in vegetables prices, India's core (excluding food and energy) inflation had continued to remain muted, and had consistently fallen over the past year. However, there is a risk of even core inflation ticking up. Some part of this will be the base effect of last year's fall, but there are fundamental price pressures building up as well. The proximate risk is, of course, crude oil prices, given the present geo-strategic situation, but over time, more broadly on expectations of a global recovery post the US-China trade deal and other factors. A global growth revival, however modest, particularly in China, could pull up industrial metals. Gold prices have gone up sharply.

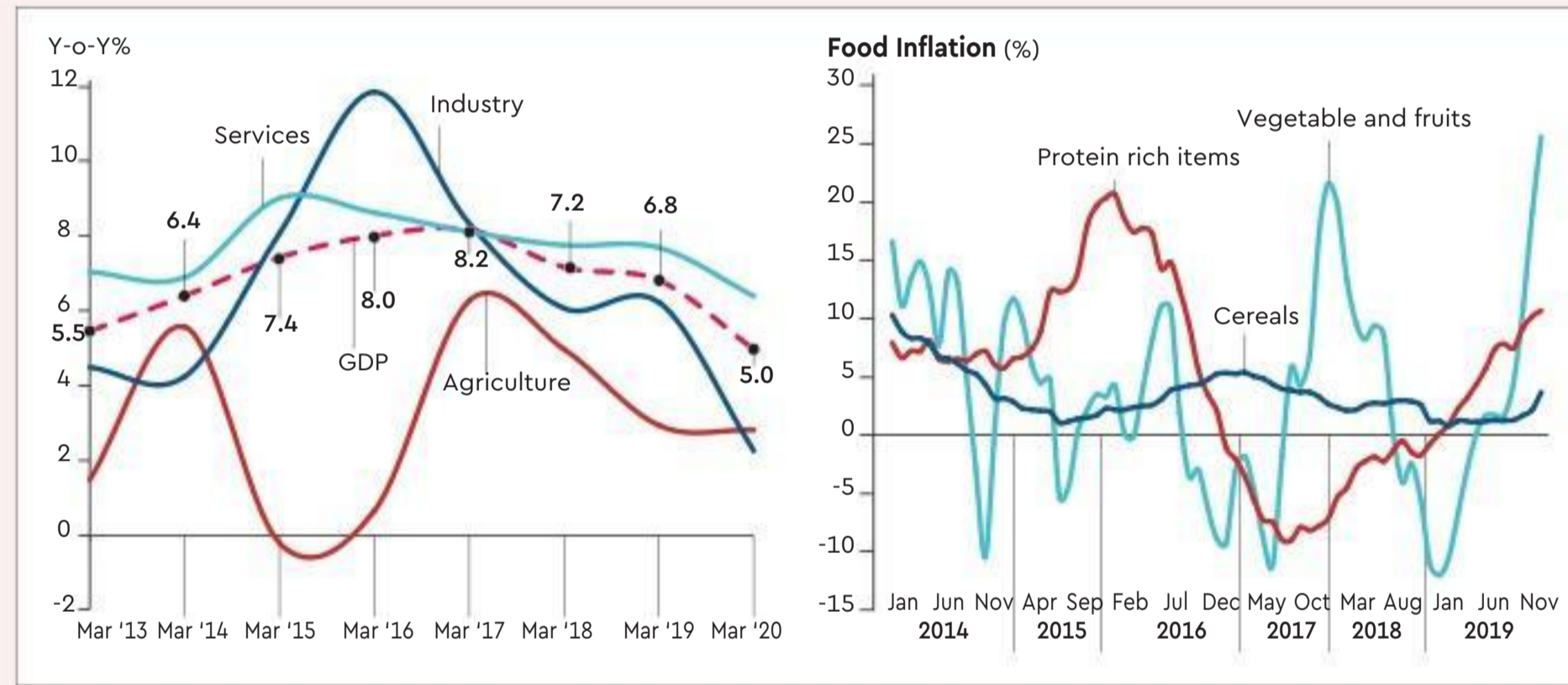
FY20 is more or less done. The focus will now be on the recovery path for FY21, with the trade-offs noted above defining the mix of policy instruments which can be further deployed to revive

growth. The scope for further cuts in the policy repo rate in the near future remain limited, although other monetary policy stimulus measures are still on the table to accelerate transmission (as RBI has demonstrated with its operations twist). The Monetary Policy Committee (MPC) made it clear that it will lean more towards its inflation targeting mandate, till there are signs of inflation stabilising close to the 4% target. As we have repeatedly emphasised, one of the key inputs in the MPC decision will be the refresh of RBI's Household Inflation Expectations Survey. Since this survey is likely in progress now, the saliency of the persisting rise in vegetables prices and the recent hike in petrol and diesel prices is likely to keep inflation expectations elevated. While a reversion down in inflation in H1 FY21 might create some space for additional monetary policy easing, the heavy lifting will have to be done by the fiscal policy, supplemented by trade, ease of business and other policies.

The first improvement is likely to be a nominal growth rate higher than the 7.5% estimated for FY20, probably around 10%, which will provide some extra room for manoeuvre. While fiscal policy is still likely to be circumscribed by relatively weak tax revenue growth, the government has shown an intent to use its limited resources more effectively, both through pragmatism in revenue augmentation (dispute resolution, non-tax revenues, access to foreign capital, etc) and expenditure rationalisation and management. These measures need to be taken forward to monetise as much of latent assets as possible, cut spending overlaps and increase coordination with states.

Improving credit off-take and delivery will be central to a quick recovery, and using fiscal revenues to leverage private funds (as is already being tried for the Partial Credit Guarantee and Last mile funding corpus) besides further recapitalisation of PSBs will be central to reducing risk aversion and enhancing bankability of projects. FY20 will certainly have been the trough, but growth revival will not be easy, given the multiple structural impediments. An innovative coordination of policy levers will need to be carefully thought out.

Vikram Chhabra
contributed to the article



Don't bundle coal and renewable power

When coal power generators in India are evading deadlines to retrofit plants with emission controlling systems, using renewable energy to lower tariff of polluting power counters climate objectives

ANINDYA UPADHYAY

Renewable energy expert
Views are personal



RENEWABLE POWER HAS been steadily posing a David-like (of David and Goliath) challenge to polluting coal-fired projects ever since PM Narendra Modi declared the building of 175-gigawatt green capacity by 2022 as the centre-piece of India's climate pledge. In 2015, the government had come up with a plan to 'bundle' solar energy with the then cheaper coal generation to push sales of renewable power through a market-driven approach. The 'bundling' mechanism soon became obsolete as renewable energy cost started falling dramatically. The cost of electricity using solar photovoltaic fell to \$38 per megawatt hour—14% lower than cost of coal-fired power in 2019—according to consultancy Wood Mackenzie.

A new proposal now seeks to flip the 'bundling' scheme by using cheap renewable energy to subsidise costlier coal-fired power to ensure continuous supply. The Ministry of New and Renewable Energy on January 3 proposed 'reverse bundling', wherein "high cost thermal power" is bundled with cheaper renewable energy to overcome the 'intermittent-ness' of green power, and ensure uninterrupted round-the-clock electricity. At a time when coal power generators in the country are evading deadlines year after year to retrofit plants with emission controlling systems, using renewable energy to lower tariff of polluting power counters climate objectives.

The draft policy for round-the-clock electricity via 'reverse bundling' stipulates supply of 51% renewable energy with or without energy storage bundled with 49% thermal power component. The tariff for this bundled electricity could work out to be much higher

instead of a simple average of cheap renewables and costlier coal supply. There are at least two reasons for this:

■ Renewable energy can only be supplied for 6-8 hours, while battery storage plus thermal plants will cover power supply for the remaining 18-14 hours in a day. The cost of battery storage, although falling rapidly, could raise power tariff when supplying for several hours together. The high charge for a fixed amount of standby thermal power capacity needed for bundling will further add to the combined tariff.

Also, if thermal power is bundled with renewable energy without storage, the coal-fired capacity will have to be ramped up and down throughout the day or be shut for a part of the day depending on renewable generation. This may not benefit the coal-fired projects due to inefficient operation.

■ The capacity utilisation factor (CUF) of a solar project is only 20%. If 80% power is supplied from thermal capacity, the mechanism is still workable because the coal-fired plants will be utilised to a larger extent. Necessitating renewables to form a 51% share of supply will make bundled power tariff expensive, due to the fixed charges of a large standby coal-fired capacity operated inefficiently.

The inability of power distribution companies (discoms) to buy enough electricity owing to their poor financial health is at the centre of this David-Goliath tussle between renewables and coal-fired power. The aggregate external debt of state-owned discoms is set to increase to ₹2.6 lakh crore by the end of this fiscal, according to credit rating agency Crisil. Government data shows that discom dues to power generators

have increased to over ₹80,000 crore, of which almost ₹65,000 crore was overdue by October-end last year. Simultaneously, coal thermal capacity utilisation has constantly been falling throughout the year and stands reduced to merely 50%, as of October.

State agencies have been struggling to find buyers for almost a year for 2.5 gigawatts power from stressed coal-fired units as part of a scheme to facilitate procurement of power from commissioned projects lacking purchase agreements. The tariff under this scheme at ₹4.41/kilowatt-hour has been perceived as expensive, evoking poor response from buyers. Renewable energy tariff at less than ₹3/kilowatt-hour, in comparison, is cheaper, and hence, more compelling for discoms to procure. Thus, reverse bundled power will have to face the same test of being attractive to discoms, who cannot be forced to buy it.

To be sure, electricity from renewable sources constitutes only about 10% of the country's total generation mix, and there is a long way to go in achieving higher green power generation. As per the Central Electricity Authority's estimates, coal will continue to dominate India's energy mix constituting 50% of generation by 2030 in spite of its installed capacity being lower than that of renewables. India's coal demand is expected to grow by more than that of any other country, in absolute terms, by 2024, according to the International Energy Agency. This necessitates mechanisms to ensure more renewable projects come online, especially as India has barely reached the halfway mark in installing the targeted 175 gigawatts by 2022.

LETTERS TO THE EDITOR

On nationwide strike

The nationwide strike by trade unions has succeeded in bringing to focus the Modi government's anti-labour policies. It has led ordinary people to ask why the government has decided to go ahead with privatisation of public sector units. The trade unions have reason to worry over the government's disinvestment plans that spell further emasculation of the country's workforce. But, the government is naturally so pro-rich that it cannot say 'no' to the rapacity of big industrialists seeking amassment of more wealth. Under the present regime the workers are not at all treated as the most important stakeholders in the economy. The government subscribes, to the view that the curtailment of the rights of the working class is necessary to propel growth. The idea that 'man is essentially a worker' is alien to the right-wing parties. The daily wage earners and the workers in the unorganised sector occupy no space in the government's thinking sphere. BJP is preoccupied with implementing policies that will satisfy the Hindutva zealots and corporate tycoons. It is hostile not just to Dalits and other lower caste people and Muslims, but also to the working class. Such has been the overarching appeal of Hindutva over the years that even the impoverished, the Dalits, farmers and workers favour BJP despite their distress aggravated by its policies. Mercifully, people are realising the folly of supporting a party that works against their interests out of their uncritical devotion to religion. Faith is okay for those who need it, but it should not be allowed to be misused as a tool for exploitation.

— G David Milton, Maruthancode

● Write to us at feletters@expressindia.com



ILLUSTRATION: ROHNIT PHORE

**EJAZ
GHANI**

Lead economist, World Bank.
Views are personal



● **INDIA'S FUTURE**

Informal, and urban?

Our mindset lets large enterprises have a disproportionate influence in policy making, with no place for the informal sector at the table. But India's urban future, job creation, and growth revival may be with the small entrepreneurs

FOR DEVELOPING COUNTRIES as a group, more than half of all jobs still remain in the informal sector. Early views of industrialisation leading to an inexorable pull of the rural population into urban areas saw urbanisation and formalisation as being the same thing. Later views of rural-urban migration, as leading to a translation of rural poverty into urban poverty, coincided with caution on urbanisation, and greater support for rural development.

We now find ourselves at a juncture where urbanisation is being promoted as an integral part of our growth strategy, but concerns about the informal sector have been folded with the black economy, congestion costs, and a threat to law and order and social cohesion. The "undermining of social cohesion and law and order" bears a familiar resemblance to concerns of colonial regulators about activities that were "on the other side" of the dual economy divide. These concerns run counter to our understanding that

the informal sector remains an integral part of India's structural and demographic and young demographics (bit.ly/36CuEiu).

The growth dynamics of the formal and informal sectors are very different. These differences can be seen in their spatial location, the pace at which they create jobs, their contribution to traded and non-tradable activities, and their impact on networking and gender equality. These differences are enormous. But informal and formal sectors remain friends, not foes.

India's urban future is taking place at a 100-times faster pace than what developed countries have experienced. India is also the youngest country in the world, riding a wave of youth bulge that will continue to add 10 million additional workers to the labor force every year for decades to come. Urbanisation and informal sectors have the potential to complement each other, and absorb this youth bulge and promote shared prosperity. Policy makers should not

worry about slow pace of formalisation.

Trends in urbanisation and formalisation

India's informal manufacturing sector is large, no matter which definition we use, enterprise or employment. While India's overall manufacturing sector has become more urbanised, the differences in the spatial development of the formal and informal sectors are striking. The formal sector is de-urbanising rapidly and moving from urban to rural locations to remain cost competitive. India is one of the most densely populated countries in the world, and the high population density of a city makes large-scale manufacturing less competitive, and forces them to move to a rural setting. On the other hand, the informal sector is urbanising rapidly from a better physical infrastructure.

The urbanisation of the informal sector and the de-urbanisation of the formal sector can't be explained by changing definition of urbanisation, as the definition of an urban setting in India has been mostly stable since the 1961 census. India uses a more demanding set of criteria than most countries to define what is 'urban'. For example, substantial parts of the US metropolitan areas like Atlanta or Phoenix would be classified as rural in Indian statistical analyses because their population densities fall below 1,000 persons per square mile.

India's employment growth in the manufacturing sector during the last two decades has occurred largely in the urban areas. Job growth has been concentrated in the informal sector. Informal sector jobs have expanded in the traded sector and contracted in the non-tradable sector. So, growth in traded industries is not due to plants achieving larger economies of scale, as was expected from the formal sector, as was expected in the early 1990s. The rapid urbanisation of the informal sector appears to be the most important factor.

Informal sectors conform much more closely to the overall contours of India's economic geography than formal sectors. Not all jobs in the informal economy yield paltry incomes. Many self-employed earn more than unskilled or low-skilled workers in the formal economy. A diverse and large number of entrepreneurs in garment industry in New York have made it much more competitive compared to Pittsburgh with one large and vertically integrated steel factory, which has now become a ghost town.

It is unlikely that rapid urbanisation and technological changes will lead to the demise of the informal sector. Remaining small is a rational response to high urban density. Technological changes have enabled entrepreneurs to operate at a smaller scale, and benefit much more from networking and agglomeration

economies associated with urbanisation. The growth benefits of urbanisation come from agglomeration economies, which are much stronger in India compared to the US. It is even stronger in the informal sectors.

Tax reforms, demonetisation and financial stress

The goal of Goods and Service Tax reform is commendable, its hasty implementation has adversely impacted small entrepreneurs in the informal sector. It has broken the link between formal and informal sectors. Large enterprises that outsource a lot of tasks to small enterprises are now less inclined to outsource it to the informal sector that barely come under the GST net. The informal sector has been badly affected by the economic slowdown and much of this may not be captured in official statistics.

Insolvency and bankruptcy reforms are important and needed for more efficient resource allocation. But it is not of a great consequence to the informal sector. There is mounting evidence that economic shocks that worsen infrastructure affect informal sectors by reducing their access to markets and basic services.

There is rising concern that demonetisation has also adversely impacted the informal sector more than the formal sector. Hundreds of millions of small enterprises that operate in the informal sector, and which are cash dependent, have suffered losses and lost their jobs. India data may have experienced a potential reversal in structural transformation, as more than 2 million people have migrated back to villages from cities. But the backbone of the informal sector is not broken, as India's urbanisation will continue to expand the informal sector.

Policy agenda

India's favorable structural trends and young demographics will revive growth, with urbanisation and informal sector playing a key role in job creation. First, the FM could explicitly recognise the role of informal sector as an important driver of growth and job creation in the next Budget. Second, while the agenda on smart cities has caught the attention of policy makers, it needs to be made more inclusive by integrating the informal sector into city planning, budgeting and financing. Third, technological revolution has made the informal sector as partners in development. Smartphones have become the key tool for women entrepreneurs, putting instant information about safety alerts, traffic, tourism, health services, and community news into millions of hands. India's urban future is in the informal sector.

DATA PROTECTION

Makings of a nanny state

**VATSAL
GAUR**

Associate Partner at HSA Advocates. Views are personal

Does India want to be the Big Data State after all?

INDIA CONTINUES TO prove to the world that the State needs to act like a parent for her subjects (data). Good parenting is ideally a result of the parent having lived a life full of rich experience and an ability to master life trajectory. With the democracy still young, and dwindling economic parameters over the last three quarters, the *locus standi* seems weak. Any attempt to monopolise data, on the pretext of due functioning, is an unfounded approach to monetise the now overused 'demographic dividend' of young population.

The recent WhatsApp breach gave further succour to push for a Data State. This was done as the government introduced a draft of the Personal Data Protection Bill (PDP) in Parliament on December 11, 2019. The bill was referred to a joint select parliamentary committee. If the current PDP is anything to go by, there are several opportunity costs. The PDP allows for the processing of personal data for the provision of any 'service' or 'benefit' provided by the State. In contrast, another service leaves room to define what constitutes 'reasonable purposes' for non-consensual processing of data.

PDP does not have a focus like GDPR, where there is at least onus on the data processor to establish how non-consensual data processing must outweigh the data subject's fundamental right. Ordinary rules governing judicial review on State action will, therefore, become the default rule for enforcing privacy breaches. However, since the Data Protection Authority (DPA) isn't under obligation to provide remedial orders before processing data, the grounds of such judicial challenge will be limited. PDP shall, thus, dilute the *Puttaswamy* judgment on the right to privacy. A suggestion could be to adopt the GDPR framework to allow subjects to object against data processing by the state in certain situations. The current PDP only allows the right to erase and call for factual incorrectness of data,

but doesn't provide an outright ability for citizens to object to non-consensual data sharing.

Data localisation isn't challenge-free. Sensitive personal data and personal data be stored as a mixed set, and de-identification may be an arduous task

Interestingly, since the technology itself is not sacrosanct and is liable to be manipulated, in case of factually inaccurate data sharing, the State could potentially land in embarrassing situations unless an additional layer of legitimacy is in place. Thus, it is important to staff the DPA not just by appointing retired judges and bureaucrats but also seasoned technology veterans. An intensive boot camp for potential training of candidates is right to far-fetched

idea. The Central Government reserves its right to issue binding instructions to the DPA severely compromises the independence, calling the need for an overarching ombudsman structure using established principles of administrative law.

The data localisation requirement under the PDP (although eased from the previous version of the bill) is still not challenge-free. For instance, sensitive personal data (SPD) and personal data would usually be stored as a mixed set, and de-identification may be an arduous exercise. Similarly, leaving the definition of 'critical personal data' open to the government, in the absence of legislative guidelines, seems like excessive delegation. Third-party transfers of SPD are required to be approved by the DPA, which could reduce agility in fast-paced innovation, especially blockchain and distributed ledger technology (DLT). An exception for real-time data transmission using DLT should be considered. Similarly, while the sandbox introduced in the PDP is laudable, one needs to take care of the selection criteria of companies. The chances of government-owned enterprises competing with private players cannot be excluded. Therefore a 'neutral' and well-implemented selection procedure will be imperative.

The government retaining the right to seek anonymised data from data fiduciaries, although patently innocuous, leaves room for enough data sets to be generated which would otherwise not be available to the government. De-anonymisation of data is not entirely off-limits. Further, the blanket right to exclude the applicability of the PDP to State agencies in the interest of 'sovereignty', 'integrity' or 'public order' does place the State on a different footing as far as ownership and processing of data is concerned.

Does India want to be the Big Data State after all, and what is so peculiar about her data subjects that call for them being treated like wayward children? We can only read between the lines for now!

Infra funding 2.0

A long-term infrastructure bond market for the private sector must be created

**NIRANJAN
HIRANANDANI**

President - NAREDCO



INFRASTRUCTURE IS A crucial driver of economic growth. Infrastructure development not only creates employment but also has the capacity to increase consumption and can give a boost to the economy.

The recent announcement of ₹102 lakh crore by the finance minister Nirmala Sitharaman was shot in arm for acceleration of mega infrastructure projects allocated across the various sectors like power, railways, urban irrigation, mobility, education and health. This will spur up the demand for alternative infrastructure projects funding.

In early 1930's developed economies like the US, Germany were going through recessionary cycle. For quick revival, these economies relied on slew of mega infrastructure development like autobahns, highways and railways to attract more investments. This had a manifold effect on GDP growth and economic revival. Today, India needs to relook at the same development model by expanding and expediting its infra projects.

The government is rightly concerned about fundraising for such a plan as well as low private sector participation. The problem gets multiplied when Government says that it "has no business being in business or as Chanakya has said 'Jis desh ka raja (sarkar) vyapari hota hai, us desh ki raja bhikhari ho jaati hai". The

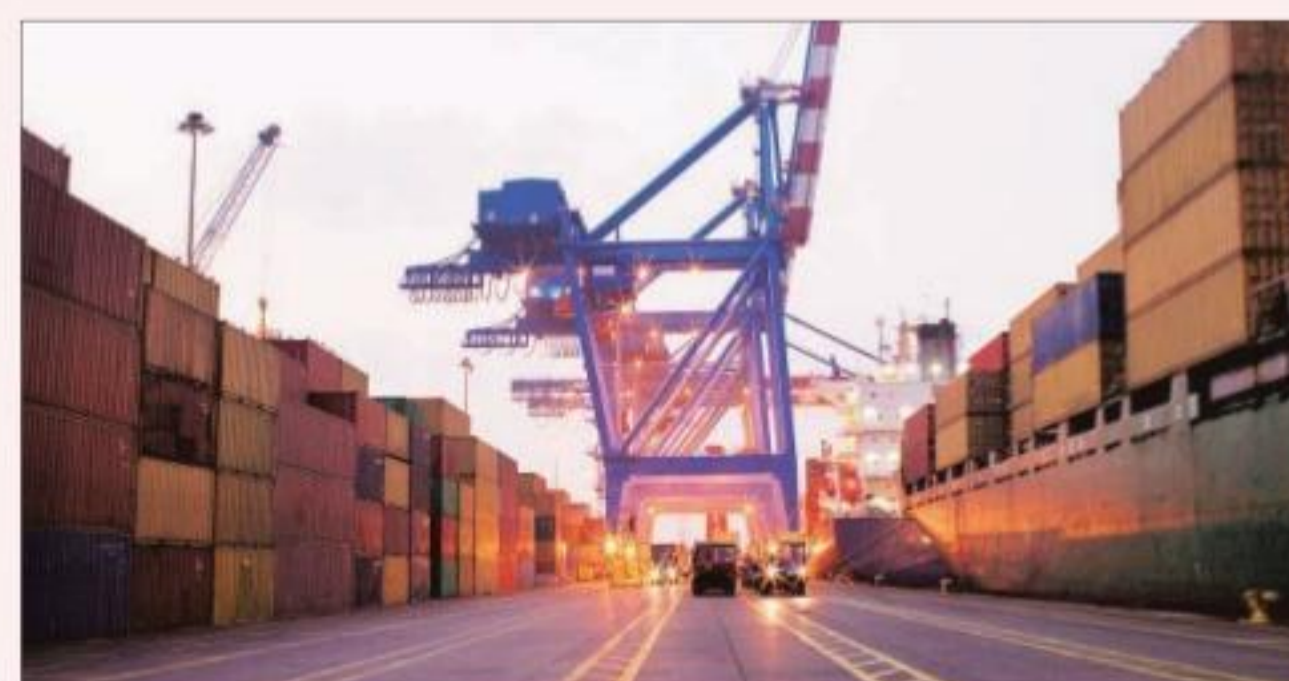
government, thus, should work on its disinvestment plans as well.

Infrastructure financing in India faces several challenges right from high cost of capital to shortage of long-term financing due to asset-liability mismatch. It is difficult to fund new projects due to limited availability of capital and liquidity with the Banks/NBFCs and Bank's sectoral limits. Therefore, alternative funding avenues needs to be worked out.

First, the government needs to encourage privatisation. In India, the government has only issued sovereign bonds in local currency in the domestic market to finance the fiscal deficit. For-

eign portfolio investors have evinced interest in Indian government bonds traded locally in recent years, as the real interest rate on Indian bonds is attractive compared to other developed economies.

While a sovereign bond is neither necessary nor desirable, it is still essential that a long-term infrastructure bond market for the private sector is created. This can only happen with participation from life insurance institutions and other long-term investors. There is a need to construct a financial bond market which runs for five years and moves assets into a 20-30 year bond / InvIT, essential to ensure constant capital



flows. Institutional participation, stamp duty and tax incentives required to make this happen, must be accelerated.

There are two more ways that the central government can think of financing the infrastructure projects. The first step is to mobilise funds via divestment of profit-making state-run companies. The second is to revive private participation to fill the financing gap.

Disinvestment provides the government the much-needed fiscal resources and withdrawal from several activities that can be transferred to private sector without sacrificing any public cause. It also helps in refocusing the scarce admin-

istrative resources of the government.

By disinvestment, public money could be freed up for investments in infrastructure, health, social sectors or education. This would also result in improved efficiency and, at times, expansion of enterprises and creation of employment opportunities after management is passed into private hands.

Similarly, disinvestment in major ports and all the waterfront ocean or river areas into a completely open-license regime will revolutionise the ports sector in India. This can earn the government at least ₹100,000 crore in annuity, if executed well.

We strongly believe that the disinvestment proceeds will be critical for the government to stick to its target of keeping fiscal deficit at 3.3% of the GDP in the current fiscal year.

Though the public-private partnership model has gained significant importance, there is a need to refine and evolve it further to make it a successful proposition. The government, now, needs to lay further emphasis on creating tailor-made solutions to suit the prevailing risks. GOI has come out with the Hybrid Annuity Model or HAM. This model is a mix of the EPC (engineering, procurement and construction) and BOT (build, operate, transfer) models. The private players are paid to lay down the roads and have no role in the roads ownership. It is the government's responsibility to maintain and collect tolls on the road.

As an example, NHAI has shown that using such innovative mechanisms their annuity collections will grow from ₹30,000 crore per annum to ₹100,000 crore per annum. This alone will be able to fund ₹10 lakh crore worth of projects.

Thus, the advantage of huge investment drawn to the infrastructure sector via different avenues shall transmit into a manifold effect leading to increase in the GDP growth to a double digit number inclusive of employment generation.



The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

Deciphering the CDS

The significance of the office lies in its potential for re-imagining national security



ARUN PRAKASH

A STAR'S TREK

Deepika Padukone in JNU, actors standing up — this is India's demographic dividend too, and it must be celebrated

IN 2018, MEMBERS of a right-wing communitarian organisation offered a reward of Rs 5 crore for the murder and decapitation of Deepika Padukone because she played a character in *Padmavati* which they found offensive. In 2020, Padukone — as herself, exercising her agency as a citizen of India — first praised the young protesters across the country and then visited the Jawaharlal Nehru University campus in New Delhi on Tuesday to stand with protesting students after the brutal attack on them by masked assailants on January 5. She made no statement on campus but she didn't need to — her presence itself was eloquent testimony to a fundamental shift in the relationship between the film industry and society at large, generational as much as political.

Cinema and politics in India have had a close association stretching back to Independence. Many stalwarts from the South India film industry as well as Bollywood have campaigned for mainstream political parties, especially for the dominant party of the time, and even contested elections. But rarely have they been a part of the civil society's response to contentious issues in the national conversation. The current moment marks a departure from that trend. Swara Bhaskar, Diya Mirza, Taapsee Pannu, directors Anurag Kashyap, Anubhav Sinha, Kabir Khan and Alankrita Shrivastava, other young actors like Alia Bhatt and Varun Dhawan have not registered their protest from a partisan political platform. Padukone, for example, did not rail against the government. Instead, she said, "I feel proud that we (the youth) are not afraid of expressing ourselves".

The new breed of stars is no longer imprisoned in a gilded cage of likeability — of pretending to have no politics or awareness of about what happens outside tinsel town for fear of causing offence. The logic behind projecting an image of being distant from the society at large was two-fold: First, alienating powerful people would mean a loss of work and potential box office revenue — through threats of boycott, producers and distributors being put under pressure, etc. Second, the actor was seen as a blank slate and, unlike in Hollywood, lineage, right connections and affability were more important for getting work than talent and hard work. The new breed is confident of finding their audience through the quality of their work and the neutrality of a deeper market. They are also unafraid to stand up for their beliefs, against perceived injustice. The latter makes them of a piece with their generation at large — the young men and women out on the streets against the CAA among other issues. The protests, first in the aftermath of police violence at AMU and Jamia Millia Islamia and now, with the attack in JNU, have served to politicise a new generation and generated conversations about the meaning of citizenship, constitutionality and fraternity in the Indian context. The young people working in cinema, it is clear, are not immune from that inspiration. Calls to "boycott" Padukone and her films are bound to fail for this reason. Society can't necessarily change a generation, but generational change can transform a society. Demographic dividend isn't just about a larger work force — it also means more young people with courage of their conviction. Applaud that.

COAL COMFORT

Easing of regulations for mining is welcome. Government should now ensure speedy auctions, and faster clearances

IN A WELCOME move, the Union Cabinet has relaxed the regulations for coal mining in India. The ordinance amends the existing provision that allowed only companies engaged in iron and steel, power, coal washing sectors and others to bid for coal mines. Now all end-use restrictions have been removed, easing the entry of companies not engaged in any coal-use industry in coal mining. Moreover, existing private owners will now be able to sell their surplus coal in the market. The removal of these restrictions is in line with the objective of facilitating commercial coal mining in the country.

India is one of the largest coal producers in the world with an output of 729 million tonnes in 2018-19. However, despite sluggish economic growth, import shipments have surged from 190 million tonne in 2016-17 to 235 million tonne in 2018-19 — in value terms, imports touched \$26.18 billion in 2018-19, up from \$15.76 billion in 2016-17. This surge in coal imports, along with oil and electronics imports, has exerted pressure on the country's current account in recent years. The relaxation in regulations, along with previous initiatives such as allowing 100 per cent foreign direct investment through the automatic route in commercial coal production, can aid in boosting coal production in the country and help reduce imports.

It will also encourage private players to participate in the auctions that are to be held to reallocate the captive coal blocks that were cancelled by the Supreme Court in 2014. So far, only 29 of the 204 blocks that were cancelled have been auctioned. Production from captive coal blocks had fallen to 25.1 million tonne in FY19, down from 43.2 million tonne in 2015. With these measures, the government is also facilitating the entry of major global mining players such as Rio Tinto and BHP Billiton, which can help bring in the latest technologies for raising productivity. How quickly these investments fructify depends on the kinds of coal blocks offered, the infrastructure available, the government's ability to ease the regulatory hurdles such as the process of obtaining clearances, and clearing of mining plans, that have complicated the process so far.

GIANT STEPS

The golden couple of the UK don't want to stand on ceremony any more. Sometimes, stepping back spells progress

THE UK LOVES its royalty, even if the House of Windsor is of German descent, and Buckingham Palace is as popular a tourist destination for the English as it is for the Indians and the Japanese. But even so, debate periodically rages in the local press about the benefit to the taxpayer, who subsidises the lifestyle of the royals. Now, in a development unprecedented in our times, Prince Harry and Meghan Markle have announced their decision to step back from their duties as senior royals and — in a move that must be deeply unsettling to the royal family — to spend time away from the UK, and to make a living. Like plumbers. Like accountants. Like artists in garrets. Like that. Well, almost.

They are obviously uncomfortable with the deeply formal, structured nature of life as a royal. Since their wedding, the couple has been doing the rounds and taking the tours that their largely ceremonial role demands. These outings are closely scripted, with the prince taking the lead in public, and his consort silently... well, consorting. This division of labour would be irksome to modern sensibilities, and the constant attention of the media may remind the prince of their role in his mother's death, and of a ridiculous controversy about his parentage.

But perhaps the thought of freedom from the straitjacket of royalty alone is sufficient stimulus. Recall that King Vikram went out in mufti to experience real life in Ujjain. A world deeply enmeshed in complex sensitivities and ever-growing legal and financial obligations is becoming stifling even for ordinary people. The protocols of royalty, many of which are archaic, must tighten the cinch even harder. Significantly, the royal couple made a clean break with tradition, announcing their decision without consulting the family. Clearly, they don't intend to step back.

AT THE RISK of sounding hyperbolic, it must be said that the creation of a Department of Military Affairs (DMA), with a Chief of Defence Staff (CDS) at its head, on New Year's Day 2020, was the most significant development in the national security domain since Independence. First mooted in 2001, by a Group of Ministers (GoM), in the aftermath of the Kargil conflict, successive administrations — NDA and UPA — have balked at the creation of CDS. The Modi government, having jettisoned the doctrine of "strategic restraint", in its first term, deserves full credit for initiating a long-overdue process of national security reform, whose first "green shoots" are the CDS and DMA.

It is, therefore, a pity that the dissonance of nation-wide protests against the Citizenship Amendment Act and impending National Register of Citizens has served to diffuse focus on this issue of vital security importance and evoked personality-related controversies.

In the latter context, it needs to be borne in mind that selection of important office-holders — civil and military — remains the prerogative of the government in power. While numerous factors, including seniority, may have their place, it is "acceptability" of the individual, to the government, that adds weight to his "merit" and tilts the balance. Since all selections are, ultimately, made on merit, no individual needs to feel beholden to the government. The military ethos requires that he retains his professional independence and upholds his oath of allegiance to the Constitution.

From the ongoing public debate and discussion it is obvious that not everyone is clear about the need, importance and implications of many of the measures enumerated in the Government of India (GoI) press release regarding CDS. As a participant in the GoM process of 1999 and a member of the 2011 Naresh Chandra Committee on security, this writer will attempt to highlight some areas which are likely to have a far-reaching impact on India's security scenario.

First, since 1947 the three service HQs designated as "Attached Offices" of the DoD,

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have remained "outliers" vis-à-vis the MoD and GoI. The service chiefs, lacking recognition/standing in the GoI Business Rules, are heard politely by the raksha mantri (RM), who then turns to the defence secretary for advice. Communication between SHQ and DoD takes place largely through the medium of files.

With creation of the DMA, headed by CDS, the military will, for the first time, be admitted into the central edifice of the GoI and become a participant in policy-making. Designation of the CDS as Principal Military Adviser (PMA) to RM will enable unhindered access to MoD, accelerating the process of decision-making and accord of approvals. To ensure adequate availability of expertise, civilians will need to be inducted into DMA and military personnel into DoD. This will require the CDS to vigorously pursue enabling amendments to GoI Business Rules and the Central Staffing Scheme.

Second, a key military body, the Chiefs of Staff Committee (COSC), has, for decades, been dysfunctional because its chairmanship is held by one of the three chiefs on a part-time, rotational basis. Historically, the chairman COSC has lacked the authority as well as capacity and inclination to tackle tri-service issues of substance. With the CDS now being designated "permanent chairman COSC", he will be able to devote undivided attention to the administration of tri-service organisations and take measures to engender "jointness" amongst three services. In the approaching era of dwindling defence budgets, a crucial function of CDS will be "prioritising" the capital acquisition proposals (or "wish-lists") of individual services. He will have to ensure that the "defence rupee" is spent judiciously; on warfare-capabilities considered vital for national military power, and not on pandering to service demands.

Third, the chairman COSC is, notionally, a key functionary in the nuclear command chain, but given his rather uncertain status, there was ambiguity about his role in this critical domain. However, this ambiguity has been eliminated with the designation of CDS as PMA to the Nuclear Command Authority.

Since the CDS will also administer the Strategic Forces Command, this measure will go a long way in enhancing the credibility of our nuclear deterrent. Given the differing interpretations of India's nuclear doctrine voiced by GoI functionaries from time to time, the CDS would do well to initiate an early review of the doctrine.

Fourth, the mandate of the DMA includes facilitation of "jointness in operations" through establishment of joint/theatre commands. Although a successful template for joint operations was created in the Andaman & Nicobar Command (at the mouth of the Malacca Strait), 19 years ago, lack of political direction and indifference of the COSC has led to stasis. While contemplating creation of integrated theatres, it must be borne in mind that this will imply operational control of forces devolving from the chiefs to theatre commanders. At the same time, theatre commands would need staff with the knowledge and experience to deploy land, maritime and air forces. Given the disruptive impact of each of these measures, they would best be implemented by the CDS, in a phased manner.

Fifth, the designation of CDS, a four-star general in the pay-grade of cabinet secretary, as head of DMA, may create issues of equivalences, since the other four departments of MoD are headed by secretary-rank officers. One alternative would be to delegate the financial and administrative powers of CDS to his 3-star chief of staff (deputy) and designate him as secretary DMA. The other alternative would be to emulate the British and bring the defence secretary on par with the chiefs and CDS.

Finally, a reminder is in order that the essence of jointness lies in the fact that the appointment of CDS (it is not a rank) is tenable by 4-star officers of all three services. Ironically, the new rank badge created for CDS, seems designed only for army uniforms and an admiral or air chief marshal may not be able to wear it. An error or a "Freudian slip"?

The writer is a retired chief of naval staff

FUTURE TENSE IN WEST ASIA

After Soleimani's killing, Iran's response could compound the turmoil in the region



RAMIN JAHANBEGLOO

IRANIANS AROUND THE world started 2020 with the threat of a war with the US hanging over their country. The unexpected killing of Qassem Soleimani, the commander of the Iranian Revolutionary Guards IRGC's Quds Force, by the American military in Iraq has opened a dangerous and lethal round of confrontation between the US and Iran. Soleimani's assassination might have been celebrated by the Donald Trump administration as a decisive step against the mastermind of Iran's proxy wars in Iraq, Syria, Lebanon, Yemen and elsewhere, but the prospects for West Asia do not look good from the perspective of the region's geopolitics.

The assassination has come at a time when the Iranian regime is facing unprecedented social unrest. It faces a huge legitimacy crisis because of the massacre of nearly a thousand people during the popular uprisings of November 2019. With the rapid decline of the economic situation in Iran as a result of American sanctions, living conditions have worsened in the country — inflation, unemployment, and a general sense of hopelessness across society are on the rise. The mourning processions for Soleimani provided the Iranian regime with an unexpected opportunity to manipulate public sentiment, boost its lost legitimacy and invite the people to participate in the parliamentary election of February 2020. However, it goes without saying that the Iranian government will have a hard time in ending the multiple sufferings of the Iranians. The US's

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pressure campaign also shows disregard for the Iranian people.

Tehran and Washington have been on a confrontation path since 1979. Around two-thirds of Iranians were born after the 1979 revolution and have grown up with the US-Iran tension. But despite the optimistic predictions of President Trump and Secretary of State Mike Pompeo, the solution to the problem of Iran's regime will not come from inside Iran. After nearly 41 years of revolution, young Iranians have lost all hope and are ready to die for another revolutionary cause. Despite the Iranian regime's propaganda machine statements, the replacements of Soleimani will not be Iranians, but some of Iran's proxies. There are two reasons for this: First, the myth of Soleimani has been stronger among the young Shiite insurgents in Lebanon and Iraq than in Iran. Second, as most analysts have pointed out, the Iranian regime is not looking for a direct confrontation with the US, even though Soleimani's assassination marks the most significant American military operation against Iran since an Iranian airliner was shot down by the US in 1988. According to a high-ranking source in Iraq's Kurdistan Regional Government, the IRGC has asked its proxies in Iraq to abstain from attacking American and Western targets following Soleimani's assassination.

But even if Iran does not choose direct confrontation with the US for the time being, it is very likely to intensify its proxy war

in West Asia. It would, therefore, be wrong to believe that Soleimani's death will bring to a halt the operations of the "Axis of the Resistance" comprising Lebanon, Iraq, Syria, Yemen and Palestine. The Iranian government has allocated billions of dollars to the Hezbollah to operate in Syria in favour of the Bashar al Assad regime. Despite the US and Israeli call for the immediate withdrawal of the Iranian forces from Syria, the IRGC will seek new opportunities to consolidate its power.

Some important questions remain unanswered: How will the US respond to the possibility of its interests in the region being attacked by Iranian proxies? How will the Trump administration handle a new chaos in the region in an election year?

Last but not least, Soleimani's assassination will also have political repercussions for Iran — the difficult economic situation will be coupled with greater political uncertainty. Iranian politics will continue to face serious challenges due to the widening rift between Supreme Leader Ali Khamenei, the IRGC and the country's judiciary. Though Soleimani's death will directly influence the struggle to be Ayatollah Khamenei's successor, Iran's political and military future is also likely to be linked with a confrontation, or an all out war, with the US. But this is a very dangerous game that we prefer not to think about.

The writer is Noor-York Chair in Islamic Studies, York University, Toronto

JANUARY 10, 1980, FORTY YEARS AGO



MRS GANDHI'S CABINET
INDIRA GANDHI, WHO has been voted to power after a lapse of three years, will be invited by President N Sanjeeva Reddy to form a new government on January 10. The President will invite her after she is elected leader of the Congress-I Parliamentary Party at its meeting on the same day and Mrs Gandhi will be sworn in as prime minister by Friday. By that time, it is believed that she will have some idea about the composition of her cabinet. Having won an overwhelming majority in the seventh Lok Sabha, Mrs Gandhi has already begun consultations with her senior party colleagues about cabinet formation. With three results yet to

come, the Congress-I has bagged as many as 350 seats.

JANATA CMS
THE JANATA PARLIAMENTARY Board has advised its chief ministers not to submit resignations or seek mid-term elections. The Parliamentary Board, which met in New Delhi, particularly advised Gujarat Chief Minister Babubhai Patel, who had sought the party high command's permission to submit his government's resignation at the board meeting once again. The Janata Parliamentary Board concluded that the situation after the 1977 elections was different from the one arising out of the 1980 poll and

"therefore, there is no valid reason for Janata chief ministers to submit their resignation or seek mid-term polls".

CHARAN TO QUIT
CARE-TAKER PRIME MINISTER Charan Singh met President N Sanjeeva Reddy and conveyed his desire to quit his post. After its final meeting, the cabinet approved Charan Singh's resignation letter. The outgoing Lok Dal-Congress ministry will demit office on the day of Indira Gandhi's swearing in. Meanwhile Janata Party President Chandra Shekhar has retained his seat — Ballia — defeating his nearest rival, Jagannath Chaudhary of Congress-I by one lakh votes.

WHAT THE OTHERS SAY

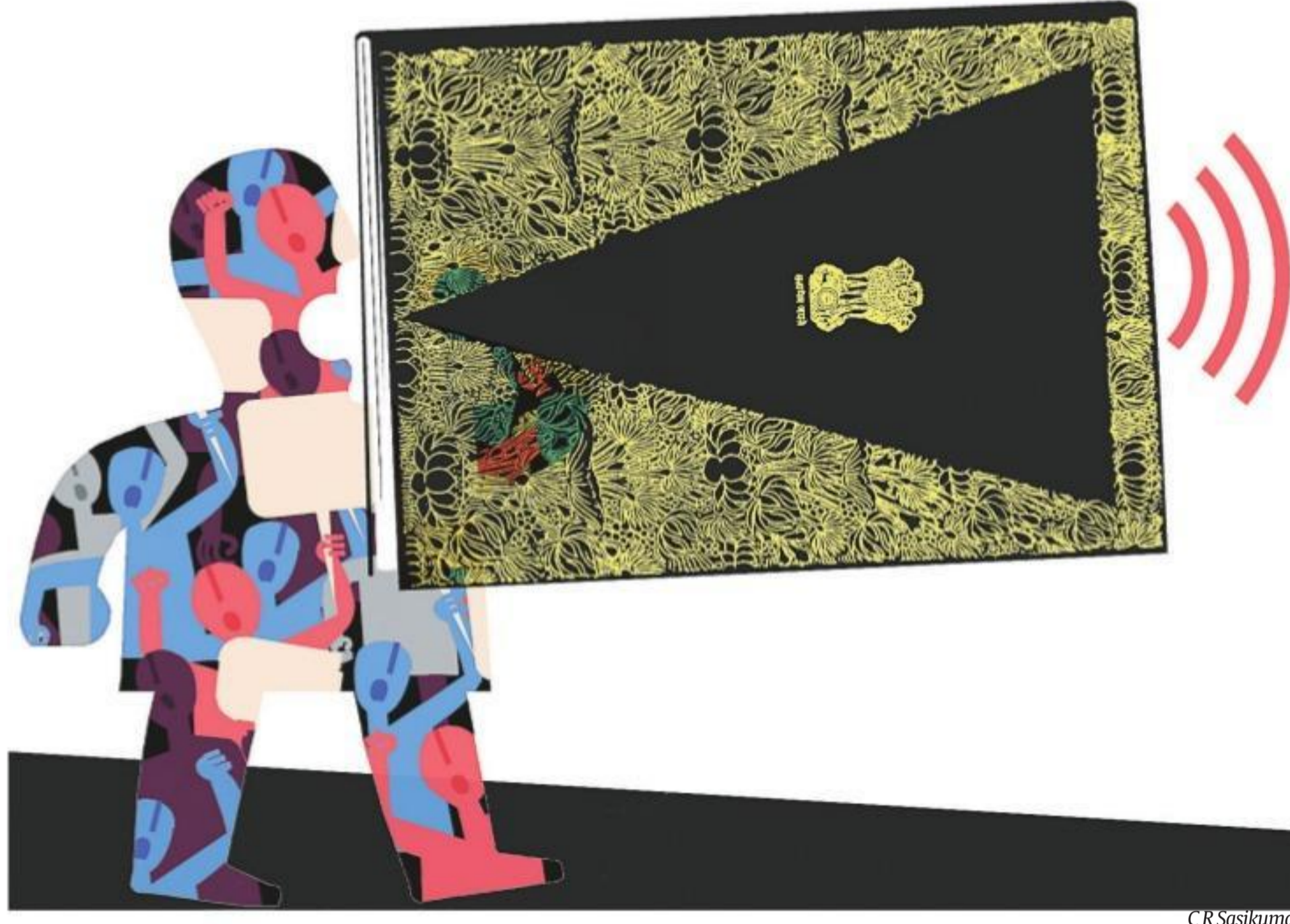
"This round of US-Iran conflicts came suddenly, and the world has been caught unawares. The situation needs to be slowed down, which can create room for all kinds of positive options." — GLOBAL TIMES, CHINA

Living the Constitution

At the core of the non-violent protests against the CAA, NRC and NPR is the message of peace and equality and an affirmation of solidarity with values enshrined in the Republic's founding document

ARUNA ROY, BEZWADA WILSON AND T M KRISHNA

In a time of deceit telling the truth is a revolutionary act — George Orwell



CR Sasikumar

THE COUNTRY-WIDE demonstrations against the Citizenship Amendment Act (CAA), National Register of Citizens (NRC) and National Population Register (NPR), led by young people from universities are a call for the reinstatement of democratic processes, and a red alert on the deliberate destruction and compromise of democratic structures by the ruling elite. In spite of the merciless attacks on students at Jamia Millia Islamia, Aligarh Muslim University, and Jawaharlal Nehru University, students have stood their ground and fearlessly challenged this brutal onslaught. It is clear that all these actions are silently yet actively encouraged by the Narendra Modi-led government, which has furthered the agenda of the RSS and its various wings, such as the ABVP, to polarise populations and intimidate any opposition through violence and targeted attacks. Tellingly, in whichever state the BJP is in office, the police force has allegedly collaborated or watched the attacks unfold right in front of their eyes, giving cover and impunity to the armed mobs.

The continuing non-violent protests, joined by people from all walks of life, have voiced all this and more. The determined resistance to the threat to constitutional values builds hope. It is poetic irony that the government's autocratic steps to quell dissent has produced the biggest awakening of the Constitution and the protection of values of pluralism and secularism, that we have seen in recent history.

Despite all efforts of anti-social forces to demolish Ambedkar's legacy of uncompromising social equality and deconstruct the Gandhian values of non-violence and civil disobedience, our young have shown energy and resolve in reclaiming justice and constitutional guarantees. The most unfortunate fallout of the last six years has been the promotion of violence and fear to enforce silence on a large majority of Indians. What we are witnessing today is the beginnings of the breakdown of this fear. In a country where every kind of institution is being hollowed out and compromised, these demonstrations are events that have dismantled that fear to herald the possibility of change.

What these protests have done is to break the helplessness and numbness to express opinions, and criticise and oppose the state-sanctioned promotion of divisive rhetoric and policies. The bogey of fear has begun to recede for the millions of others who are watching and applauding the extraordinary courage of these young people. The price of dissent has been costly; resulting in physical harm and even death of innocent people. But even loss of life has not been able to stem the uprisings.

Violence is the act of a coward. Repeated use of it shows that there is no logical argument for the passage of the unconstitutional and unjust CAA, accompanied by the mischievous and potentially devastating mass exercise of the NRC and NPR. The attempt to discriminate and differentiate between citizens on the basis of religion is not acceptable. Brutality being unleashed on peaceful

protests raises many fundamental questions. Most important is the rationale of using violence to quell dissent. The use of state violence as measure to ensure law and order has always been questionable. Violence has its own logic and the chain of action and reaction lead to a breakdown of civil governance. It is only a weak state that resorts to violence to resolve a conflict.

Fear has resulted in the paralysis and inaction of Indians who know that both this law and many such Acts, including the abrogation of Article 370 and bringing Jammu and Kashmir under direct central government control, have all been planned and implemented in a most insensitive, discriminatory manner, polarising the polity, and planting seeds of alienation and hatred. Any dissent has been labelled as anti-national, and people have been incarcerated and silenced with the threat of reprisal. The act of questioning itself is silenced.

In destroying the space for questions and dissent, we are destroying the basis of all growth — political, economic, cultural and social. We are making huge mistakes in our economic and development policies, because no one within the system is allowed to speak out. The universities and academia are the worst hit.

Universities in any society are the centres of learning and creativity. They build the ethical democratic frame of our future; on the basis of the rigour of critical thinking, they encourage the ability to speak truth to power. Are we not destroying the idea of India, as we destroy this critical space of rationality and debate? The constitutional base on which we have built this country, and the peace with which we have tried to cultivate and the harmony of different cultures we have worked so hard to nurture, are all being deliberately trashed. Will there be an India if we continue on this path? If we treat our young with such cruelty, are we not mocking the essence of free-

dom? We are stifling their dreams and gagging them. Is this the future that we want to leave behind as a heritage for a better India? The rest of India needs to further this movement for peace and equality. It is another movement of non-cooperation with those who are undermining the Constitution. We refused to cooperate — and sent a massive colonial power home, with brilliant acts of Satyagraha like the non-cooperation — with unjust laws such as the salt tax. All those of us who believe in equality will stand in solidarity, and refuse to fill the forms or produce documents — if we have them — when they come knocking on our doors to undertake an exercise of discrimination. This movement will be remembered in history, and produce a million innovative methods of protest and symbols of solidarity and fraternity.

We will continue to let the government know that their strategies will be faced with non-violent resistance. The protests since December 14 have put on display to the world one very important fact, that "we the people of India" need no numbers, or declaration of religion, or citizenship status to prove our commitment to the idea of India, that we gave ourselves on January 26, 1950.

At the very essence of these protests is a message — that we pledge our solidarity to the values enshrined in the Constitution. As the Republic Day approaches and we celebrate the Constitution, and express our gratitude to the national movement, Ambedkar and the members of the Constituent Assembly, we assert as true "nationalists" that we do not agree, with those who seek to destroy our constitutional values, and that nobody can silence and suppress our voices.

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Roy is with MKSS, Wilson is national convener of the Safai Karmachari Andolan, and Krishna a Carnatic musician and author. All three are Magsaysay award winners

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New decade, same challenge

State and society must seek avenues that could end the longstanding tension between the two



OVER THE BARREL BY VIKRAM S. MEHTA

AS I REFLECT on the decade that has just ended, and the year ahead, three thoughts cross my mind. First, most of the issues that are at the front and centre of this government's policy agenda have also been on the previous government's priority list for years. Irrespective of the acronym defining the politics of the government or the personalities in charge, the needle of change has hardly moved on these issues.

Second, there are multiple reasons for this policy stasis but the one that is relevant for all governments is the steady erosion of the institutional underpinnings of governance and the resultant concentration of power in the hands of extra constitutional authorities and individuals. Decisions have been held in abeyance because of the blurring of the lines of responsibility and accountability and the lack of clarity on where power truly resides.

Third, the society and state are in conflict. A youthful, vibrant, ambitious and connected society is pitted against a hesitant, at times paralytic, politically-shackled and precedent-bound state. How this clash will play out is not certain but what is clear is that it will be difficult to bring about constructive change without a balancing of interests — a modus vivendi between these two entities.

I have been a columnist for nearly two decades. I have written mainly on energy and business but my opeds have also covered the economy, finance, environment and governance. I have endeavoured to write about issues of contemporary significance. I was flipping through my articles recently and noted that many of the topics I had written about in the past remain unresolved issues of concern today.

I have, for instance, written about our vulnerability to energy imports and the need to develop and implement an integrated energy strategy

Today, we import 85 per cent of our oil requirements. More worryingly, our imports of thermal coal are increasing despite the abundance of indigenous deposits. Further, there is still no one executive authority responsible for energy policy.

The banking crisis has been staring us in the face for years. Reams have been written about it, including by world-class economists, solutions have been proffered and some steps have been taken, but clearly not enough has been done. The contagion has now spread to the non banking financial institutions. The consequent credit choke is a major contributor to the current economic downturn. Disinvestment was first brought onto the governments policy agenda 20 years ago. Several maharatnas, including PSU petroleum companies, were identified for strategic sale. I had advocated that the government hold fast to its policy in the face of the inevitable challenge from trade union-

ists and vested interests. The government was not persuaded and the process was aborted. Today, BPCL — and Air India — are back on the table. Investors will be wondering whether the countervailing forces that stalled the process earlier are now firmly in check. One could continue to cite examples of policies that everyone agreed needed to be implemented but which have remain unresolved — second generation factor market (land, labour, capital) reforms; environmental pollution and administration overhaul.

The question is, why? The simple answer is, it is because our democratic system of governance does not allow pragmatic politics and good economics to share the same bedspread. And when the political push comes to the economic shove, it pushes economics off the mattress. But some issues do not impact politics. Why has there been no progress in tackling them? Why have governments not effectuated good economics when politics has not been a constraint? Here the answer is more complex and, in my view, rooted in the erosion of our institutions of governance. This erosion commenced in the 1970s, when for the first time since Independence, appointments to the bureaucracy and judiciary were made on the basis of personal and political preference, not professional integrity. The erosion has continued unabated. As a result, today, the institutional checks and balances have corroded and power has shifted from the constitutionally-embedded organs of governance towards extra-constitutional authorities and individuals. There is a lack of clarity about who is responsible for what and this has further calcified decision making. A senior bureaucrat on the verge of retirement is now understandably cautious — why risk the fallout from an act of commission when there are no sanctions attached to acts of omission.

The hollowing out of institutions, the personalisation of power and the widening gap between the promise of policy and its delivery is compounding the tensions between society and the state. These relations have been tense since the economic reforms unleashed the animal spirits of our youthful population and the forces of globalisation and technology heightened expectations. We are witness today to a public manifestation of these tensions. The trigger is the CAA but there is a deeper message underlying the current protests: Society will not allow the state to rewrite the social contract to reflect narrow and partisan predilections.

In *The Narrow Corridor: States, Societies, and the Fate of Liberty*, economists Daron Acemoglu and James A Robinson write that squeezed between the lawless chaos of a failed state ("absentee leviathan") and the choke on civil liberties by autocracy ("despotic leviathan"), there is a narrow corridor where the state and society can be in balance ("shackled leviathan"). It is within this corridor, that the state can discharge its duties to "resolve conflicts, enforce law, provide public services and create economic opportunities" without "encroaching on the rights and liberties of society". The hope for the new decade must be that our state and society will find a way into such a corridor. This would reinvigorate our institutions and accelerate the resolution of critical issues.

The writer is chairman and senior fellow, Brookings India

Limited scope for sharp recovery

Government must choose between tax reductions and increasing rural spending



SUVODEEP RAKSHIT

THE FIRST ADVANCE estimate pegs India's economic growth at 5 per cent in 2019-20 — the slowest since the global financial crisis of 2008. While one may quibble over whether the actual print may be lower or higher, the cause of the slowdown can be attributed to subdued private consumption and investment activity. And given the current trend of high frequency indicators, not much upside to growth is expected.

The slowdown can be attributed largely to a structural demand problem in the economy along with some cyclical factors. Despite largely stagnant incomes, private consumption, which is the largest driver of growth, has been financed over the past few years through progressively lower savings, easy credit, and certain one-offs such as the Seventh Pay Commission led payouts. The household savings rate has dipped to 17.2 per cent of GDP in FY18, from 22.5 per cent in FY13. And after the recent NBFC crisis, overall credit in the system has dried up as incremental resources from NBFCs to commercial sector were at (-) Rs1.3 trillion in the first half of FY20 compared to Rs 0.9 tn in first half of last year.

The rural economy has been reeling from low wage growth and largely stagnant farmers' incomes. Rural wage growth has averaged around 4.5 per cent over the past five years, but adjusting for inflation it has been only 0.6 per cent. The rural population, which

was dependent on urban real estate/construction has faced headwinds in the recent past with lower private sector investments and a weak real estate sector.

Looking at the key drivers of growth in the short term, there is limited scope for a sharp recovery. The slowdown in private consumption is a structural issue linked to low household income growth. That in turn is linked to the basic problems of low job creation, and stagnant farm incomes. None of these factors are likely to change immediately. Investment is unlikely to rebound sharply given the challenges on both income and balance sheet of the government, private sector, and households. And government consumption, which has been supporting growth over the past few years, remains under stress. The combined Centre and states' fiscal deficit is close to 6.5 per cent of GDP. Along with an additional 2.0-2.5 per cent of GDP of central PSE borrowings, the public sector is already weighing on the limited domestic financial resources, ruling out space for an aggressive fiscal stimulus.

The government to its credit has shown a clear preference to rely on supply-side measures to support growth. Yet, expectations will be high that the upcoming Union budget addresses the demand side concerns as well. To this end, the government will possibly need to choose between income tax rate reductions, and substantially increasing allocation

to the rural sector. Given the narrow income tax base, any sacrifice of the fiscal room would be beneficial only for a limited number of people. Based on filings for the assessment year 2019, out of around 58 million tax filers, only 15 million tax filers had a return income above Rs 0.5 million. Further, the impact on consumption would vary widely depending on the relative gains across income brackets. On the other hand, spending on rural infrastructure and employment (MGNREGA, PM-KISAN, PMGSY) can help alleviate some of the pain in rural areas.

The recovery will depend on the utilisation of the fiscal space, and also the health of the financial sector, especially that of NBFCs. The PSU banks are being nursed back to health, but credit flow from NBFCs to certain segments such as MSMEs needs to pick up.

Addressing India's long term growth concerns and to push the country into the middle-income group of economies requires a broad-basing of the income and consumption profile. Economic reforms in the past have worked to enhance the capacity of the top few hundred million consumers. The next set of reforms should enhance the capacity of those in the middle and the bottom of the income pyramid.

Further, given the huge infrastructure gap in the country, it is essential that the private sector's role in infrastructure creation is much more inclusive.

In four key areas of infrastructure — electricity (generation, transmission, and distribution), transport (airports, roads, railways, metros), telecom, and water (irrigation, sanitation, sewage, water supply) — the private sector's involvement is largely restricted to generation in electricity, inter-city roads, airports in transport, and telecom. The rest are largely in the hands of the Centre, state, and local governments. Policies need to focus on ownership (which is largely government dominated) and pricing (which provides the private sector with a remunerable internal rate of return). It is important to note that creating an enabling environment is to a large extent in the purview of the state and local governments.

Given the degree and nature of the growth slowdown, policymakers should continue to focus on measures that raise the potential growth of the economy. Reforms which increase the productivity of the factors of production, provide an enabling environment for competitive production of goods and services, and ensure steady and substantial growth in purchasing power for a larger section of the population should be the focus. After all, why let a crisis go waste.

The writer is Vice-President and Senior Economist in Kotak Institutional Equities. Views expressed are personal

LETTERS TO THE EDITOR

TARRING A VARSITY

THIS REFERS TO the article, 'A history of violence' (IE, January 9). The writer has quoted incidents out of context to tarnish the image of Jawaharlal Nehru University (JNU). The institution has been the target of the right-wing politics because of its democratic ethos. The solidarity shown by JNU students and the faculty members towards people fighting for their rights is a demonstration of their love for the nation — unlike the BJP which resorts to discriminatory measures such as the CAA and NRC. The Left opposed the Emergency half-heartedly. But it is also true that the BJP's earlier avatar, the Jana Sangh, joined the JP-led anti-Congress movement to promote its sectarian agenda

Tarsem Singh, Mahilpur

PARTISAN OUTREACH

THIS REFERS TO the report, 'Gujarat school gets students to pen CAA postcards to PM, parents force retreat' (IE, January 9). Partisan indoctrination of impressionable minds is unethical. Colleges and universities are not showing any inclination towards the proposed benefits of CAA.

LR Murmu, Delhi

JUSTICE DELAYED

THIS REFERS TO the report, 'Delhi court orders hanging of December 16 gangrape convicts' (IE, January 8). It seems

LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to editpage@expressindia.com or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301.

that there will be a closure to the 2012 sexual assault and murder case soon, six years after a trial court had sentenced the accused to capital punishment. The lawyers for the convicts say they have still two legal remedies — a curative petition in the Supreme Court and a mercy plea before the President. That the resolution of a high-profile case is taking so long is a comment on the gaps in our criminal justice system. The case had led to Parliament passing laws that increased punishment for sexual offences. However, nothing much has happened to empower women against toxic masculinity.

Vandana, Chandigarh

TELLING NUMBERS

In riot cases, signature of economy

Latest NCRB crime report shows shifting trends in causes of riots. The overall number of cases has dropped, driven by a decline in riot cases over communal and political issues. On the other hand, cases due to industrial and water disputes have multiplied. DEEPTIMAN TIWARY looks at this and other trends in the report

NEW DELHI, JANUARY 9

AS PROTESTS continue across the country over the Citizenship Amendment Act (CAA) and proposed all-India National Register of Citizens (NRC), latest crime data on violent protests suggest that until at least 2018 compared with 2017, public concerns were become more about economic issues than about politics.

According to the 2018 crime report of the National Crime Records Bureau (NCRB), while riot cases due to communal, political, agrarian and student issues declined over 2017, riots arising out of industrial and water disputes rose sharply.

The data show that riot cases over industrial disputes rose almost 2.5 times in 2018 as compared to 2017. Similarly, water disputes led to almost twice as many as riot cases as they precipitated in 2017.

In 2018, 76,851 cases were registered under the category "Offences against Public Tranquillity". This was a decline from 2017 which saw 78,051 such cases. Almost 90% of all such offences were associated with rioting while the rest were under "Unlawful Assembly" (popularly known as Section 144).

The data come amid an economic slowdown and a recurring water crisis in rural belts.

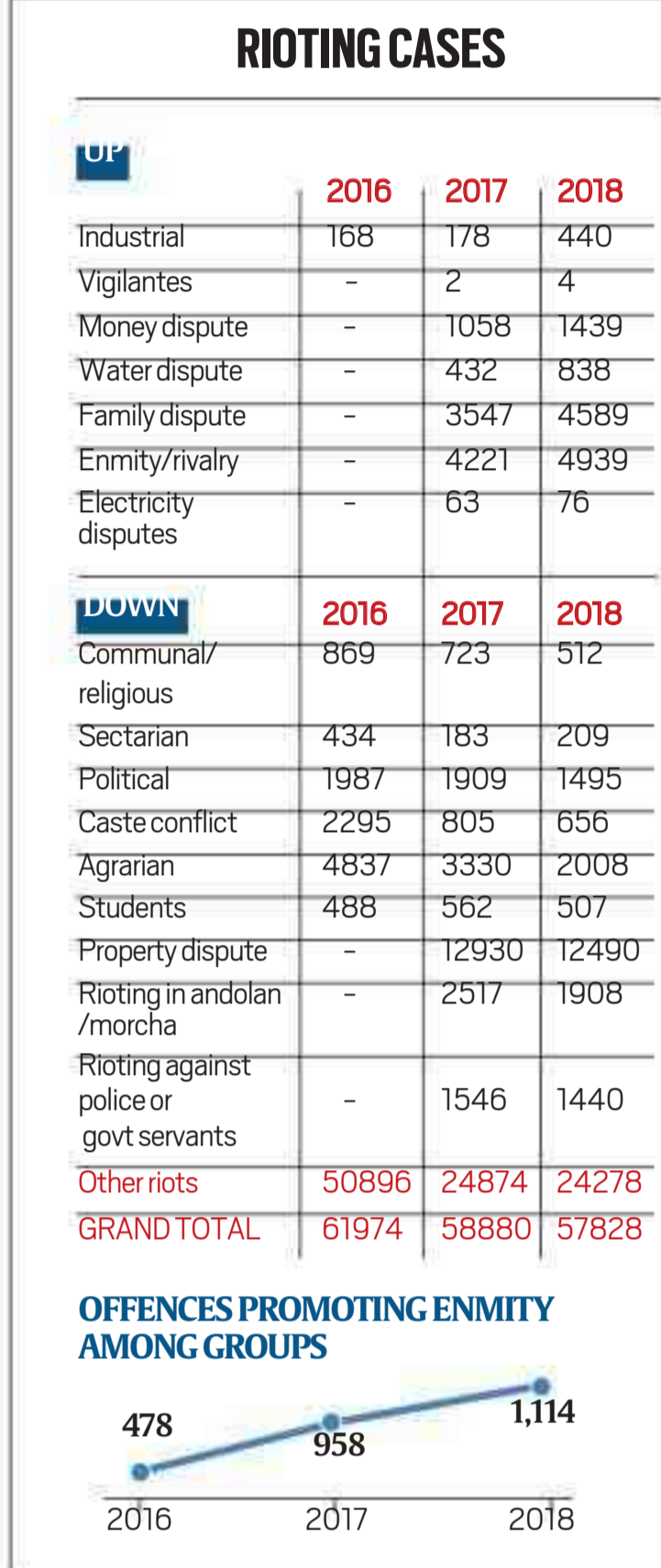
"It is difficult to explain this without juxtaposing corresponding socio-economic data from various regions. But yes, it is generally seen that stressed sectors see more law and order issues. In 2016 there was a massive spike in agrarian riots which had a backdrop of farm crisis," a Home Ministry official said.

According to the NCRB report, industrial riots rose from 178 in 2017 to 440 in 2018. Water dispute riots rose from 432 in 2017 to 838 in 2018.

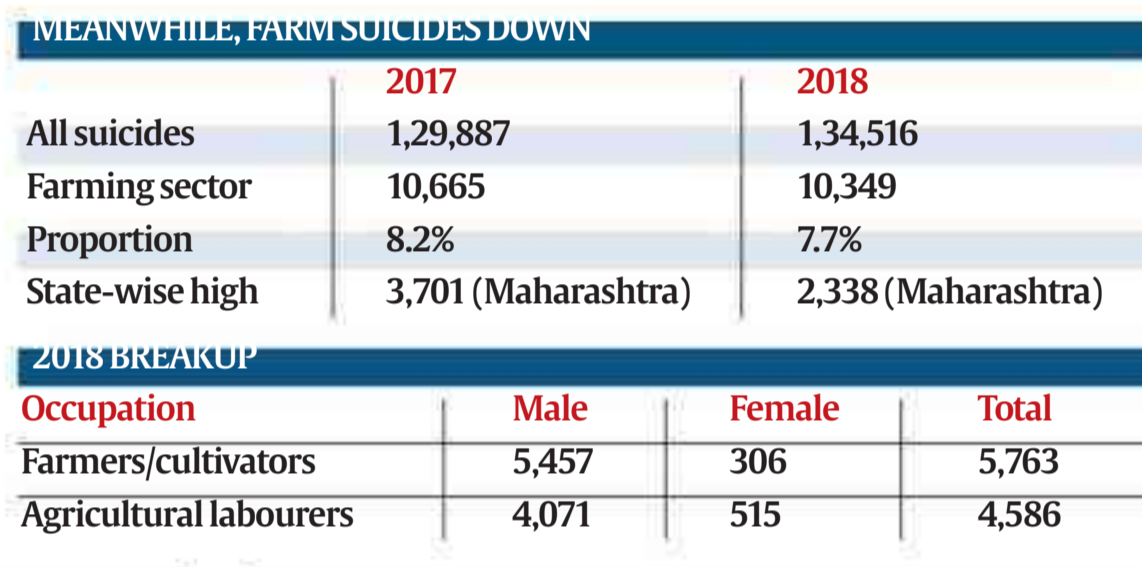
Compare this with riots for other reasons such as communal, students agitation, political and agrarian. According to the NCRB, political riots fell by almost 25% in 2018 over 2017. Communal riots fell by almost 30% in the same period. Caste conflicts too declined by almost 20%. Student conflicts marginally fell by about 10%, while agrarian riots recorded a decline of over 35%.

Even riot cases arising out of land disputes, which are among the prime reasons for riots between groups, have recorded a decline of around 4% in 2018 over 2017. Cases of rioting during "andolan/morcha" too have registered a decline of 25%.

While cases of communal riots are down, cases of attempts at inciting passions and stoking



Police at Jamia Millia Islamia, site of a police crackdown in December. Rioting is among the charges in cases registered by police. Praveen Khanna



ing hatred have risen. The data show offences promoting enmity different groups have been constantly rising and have in fact more than doubled over 2016. As many as 478 such cases were registered by police across the country in 2016. It rose to 958 in 2017 and 1,114 in 2018.

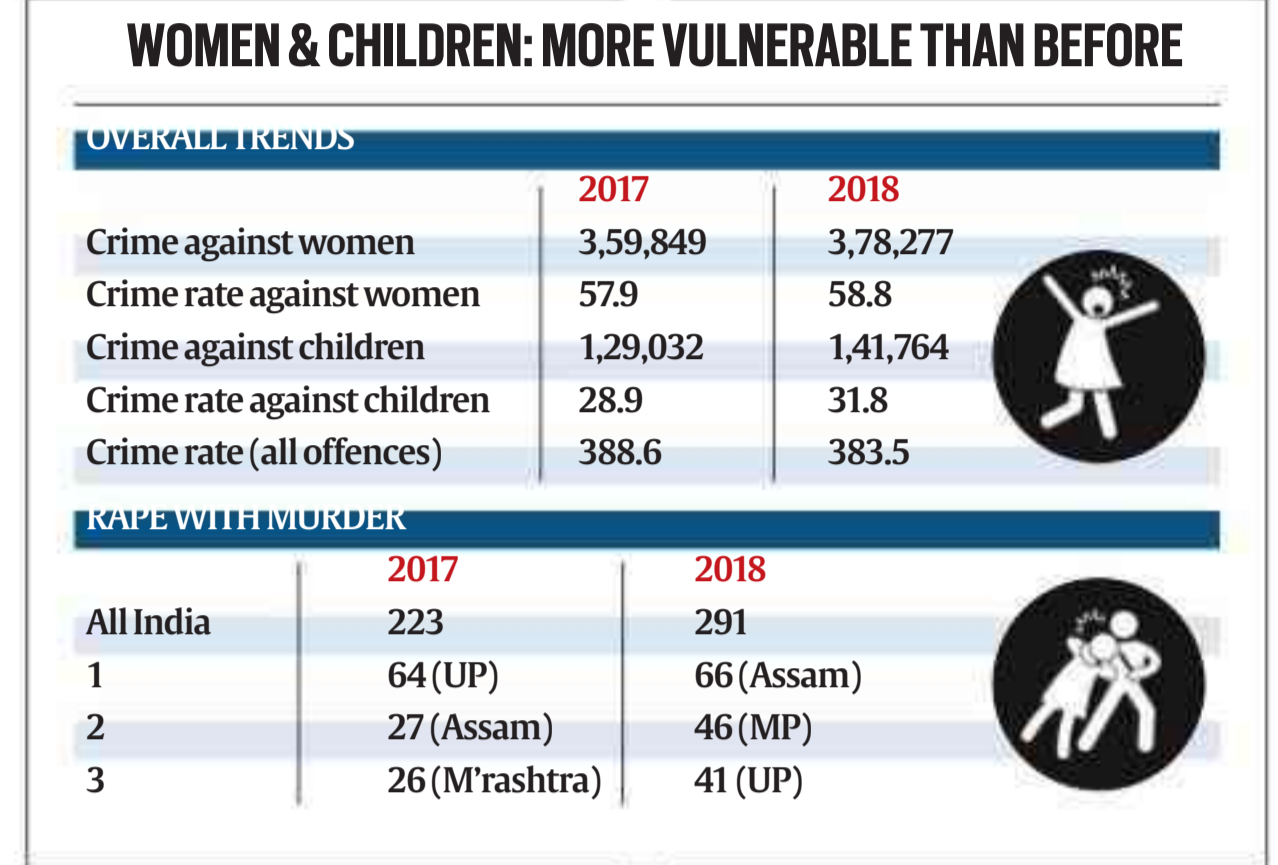
Riots perpetrated by vigilante groups have also been recorded by NCRB this time. However, it shows either poor recording of such crimes or poor furnishing and categorisation of such data by State Crime Records Bureaus. The data show only two cases of rioting by vigilante groups registered in 2017

and four in 2018. It should be noted that NCRB figures are based on state police FIRs which record only the most heinous offence. For example, if a vigilante group engages in rioting and it leads to a death, the case would be counted as one of murder and not of rioting.

In another aspect related to rioting, offences under the Prevention of Damage to Public Property Act have seen a decline of over 10%. The Act has been talked about a lot of late during the CAA-NRC protests after the UP government sent notices to protestors for recovering damages to public property. A total

of 7,910 cases were registered under this Act in 2017. This declined to 7,127 in 2018.

State-wise data show that it is not the first time that Uttar Pradesh has cracked down hard on rioters. In 2018, UP topped the charts for offences under the Act. As many as 2,388 offences were registered by UP under the Act, followed by Tamil Nadu (2230) and Haryana (415). 2017, too, UP was among the top two states, behind only Haryana. While UP registered 1,933 cases under the Act in 2017, Haryana registered 2,562. Tamil Nadu was not far behind UP, with 1,790.



In crimes against women, rise in cases of rape with murder

NEW DELHI, JANUARY 9

MORE WOMEN were killed after being raped in 2018 than in 2017. According to the latest National Crime Records Bureau (NCRB) data, there was a 31% spurt in cases of rape with murder in 2018 as compared to 2017. This is the first time NCRB has out on such comparative data. It began collecting data on rape with murder only 2017. Such cases were earlier recorded as murder.

From 223 cases of rape with murder in 2017, the count increased to 291 in 2018. Assam recorded the highest number at 66 followed by Madhya Pradesh (46), UP (41) and Haryana (26). In 2017, UP had 64 such cases followed by Assam (27), Maharashtra (26) and Madhya Pradesh (21).

"It is difficult to say why this may be happening. It is possible that inclusion of death penalty for punishment against rape encourages the perpetrator to kill the victim. But we would need a few years more to have robust data to reach that conclusion with confidence," an officer with the Bureau of Police Research and Development said.

Over 33,000 cases of rape were registered against women in 2018, marginally higher than the 32,559 in 2017.

Women and children were also among the more vulnerable sections to crime in 2018. While overall crime rate (crimes per lakh population) decreased in 2018, rate of crimes against women increased. Overall crime rate dropped from 388.6 in 2017 to 383.5 in 2018, rate of crimes against women rose from 57.9 to 58.8, and crime rate against children from 28.9 to 31.8.

Crime rate is a better indicator as it takes the size of the population into account. A

state like UP would always have a higher number of crimes, but its rate is low because of high population. Higher crime rate may not always indicate poor law and order. A police force registering higher number of crimes will show a higher rate on its books than a force refusing to register FIRs.

There were 3,78,277 cases of crimes against women in 2018, up by 7% from 3,59,849 in 2017. The highest number was in UP (59,445) followed by Maharashtra (35,497) and West Bengal (30,394). Assam (166) followed by Delhi (149) had the highest rate of crimes against women.

The majority of crimes against women were under 'Cruelty by Husband or His Relatives' (31.9%) followed by 'Assault on Women with Intent to Outrage her Modesty' (27.6%), 'Kidnapping & Abduction of Women' (22.5%) and 'Rape' (10.3%). "The crime rate per lakh women population is 58.8 in 2018 in comparison with 57.9 in 2017," the report said.

In case of children, the report said, "In percentage terms, major crime heads under 'Crime Against Children' during 2018 were Kidnapping & Abduction (44.2%) and cases under the Protection of Children from Sexual Offences Act, 2012 (34.7%) including child rape. The crime rate per lakh children population is 31.8 in 2018 in comparison with 28.9 in 2017."

On overall crime in 2018, the report says, "A total of 50,74,634 cognizable crimes comprising 31,32,954 Indian Penal Code (IPC) crimes and 19,41,680 Special & Local Laws (SLL) crimes were registered in 2018. Though it shows an increase of 1.3% in registration of cases over 2017 (50,07,044 cases), however, crime rate per lakh population has come down from 388.6 in 2017 to 383.5 in 2018."

Police don't care much for rights bodies

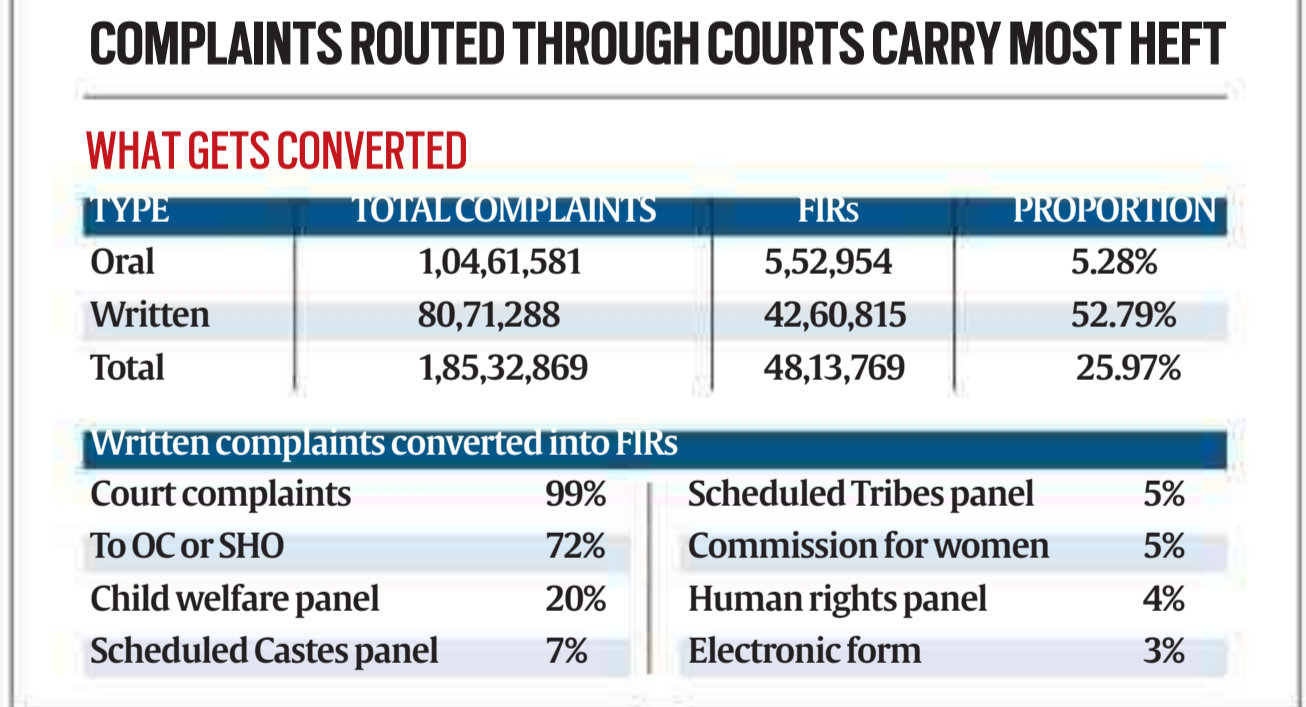
NEW DELHI, JANUARY 9

IN A COUNTRY like India, access to the criminal justice system is often determined by how much money, power, and influence the complainant has, suggests the latest crime data released by the National Crime Records Bureau (NCRB). Who the complainant is able to approach to register her complaint, therefore, becomes important.

According to the 2018 report, a person has the best chance of getting a complaint registered as an FIR if she is able to go to the police station with an order from a court. Ninety-nine per cent of complaints that are routed through a court are registered as FIRs, the data show. As many as 1,09,392 of the 1,10,338 complaints that were forwarded by courts to police were registered as FIRs in 2018.

According to the data, a written complaint sent to the officer in charge of a police station has a 72% chances of being converted into an FIR. In 2018, of the 37,46,600 complaints sent to SHOs, 2,68,8182 were converted into FIRs.

A written complaint has a better chance of being registered than a verbal complaint, in which the duty officer takes down details. The data show that 53% of written complaints were



registered, while only 5% of oral complaints saw legal action by police. Complaints made through Dial 100 had only a 1% success rate.

Complaints filed online, a new initiative by police in some states such as Delhi and UP, too have a very slim chance. In 2018, only 3% of complaints filed online were converted to FIRs. "While it is true that people with influence and contacts have better chances of get-

ting their complaints registered, many complaints are not converted into FIRs because they are either not worth investigating or are found patently false on verification. But burking is a problem across all police forces. Often the uneducated and unlettered are unable to get their complaints registered," a senior police officer from UP said.

The data also show how toothless central

commissions are in dealing with complaints of human rights abuses and atrocities on women, children, and Dalits.

According to the data, only 4% of complaints sent to the National Human Rights Commission or State Human Rights Commissions ended up being converted into FIRs. Of the 24,343 complaints lodged with the NHRC in 2018 only 1,002 were converted into FIRs.

The Commissions for Scheduled Castes (both in the states and at the Centre) fare no better. Only 7% of complaints registered with them were converted into FIRs. Of the 5,766 complaints received by them, only 413 became FIRs. For the Commissions for Scheduled Tribes, the number was worse — only 5%. In 2018, a total 880 complaints were received by these Commissions, but only 48 were converted into FIRs.

Only 5% of complaints received by National and State Commissions for Women were converted into FIRs in 2018. Children Welfare Boards/Commission had a success rate of 20%.

In contrast, complaints of which police took suo motu cognizance had a success rate of 80%. Overall, complaints sent to police through various sources had a success rate (of turning into an FIR) of just 26%.

THIS WORD MEANS | OK BOOMER

A new generation's collective eye-roll, catchphrase of a changing world

KARISHMA MEHROTRA
NEW DELHI, JANUARY 9

THE MEME-friendly "OK Boomer" phrase made its way off the Internet and on to the streets at the end of last year.

In the United States, protesters delayed a football game between Harvard and Yale by storming the field while chanting the phrase, demanding the elite schools divest from fossil fuel companies.

In New Zealand, Chlöe Swarbrick, a 25-year-old lawmaker from the Green Party of Aotearoa New Zealand, squelched an older lawmaker who was trying to interrupt her during the Parliament debate on the Zero Carbon Bill, delivering the put-down with a dismissive wave of her right hand, without bothering to look at her heckler.

The snub has now made its way to the

ongoing protests in India's streets, where young people have been spotted holding up signs, often with the word "Boomer" crossed out and replaced with "Sanghi".

The phrase — a cutting Millennial retort to "out-of-touch" Baby Boomers with whom conversation is exhausting and fruitless — probably turned up first in 2015 on 4chan, an anonymous online message board, but it gained steam on TikTok only last year.

In one TikTok video, a grey-haired man rants about how Millennials and Generation Z have the "Peter Pan syndrome": They "never want to grow up. If they think that the utopian ideals that they have in their youth are somehow going to translate into adulthood... you're going to realise nothing's free, that things aren't equal, and that the utopian society created in your mind and in your youth simply is not sustainable". Next to him, a young girl smiles — with two hearts and



Variations of the 'OK Boomer' put-down have been used during the protests against the CAA/NRC, both in social media and in the streets.

"OK BOOMER" scribbled in a notebook.

The "OK Boomer" jab has arrived at a time when Millennials (born 1981 to 1996) and many of Generation Z (between 1996 and 2015) are coming of age in a high-stakes and divisive political atmosphere. When used against (older) adults who judge their life decisions, gender expressions, and new-age values, the snipe underscores that it is the Baby Boomer generation (born 1946 to 1964) that has brought the world to the situation that it's in now — hopelessly divided, in a state of deep economic uncertainty and financial anxiety, and teetering on the brink of environmental catastrophe.

"OK Boomer" expresses the frustration of young people with an inheritance that they feel is broken, conveys their rejection of parents-know-best condescension, and announces the giving up of all hope in the ability of the earlier generation to even see,

let alone clean up, the mess that they have created. As the young New Zealand politician wrote in an Op-Ed in *The Guardian*, "My 'OK boomer' comment in Parliament was off-the-cuff, albeit symbolic of the collective exhaustion of multiple generations set to inherit ever-amplifying problems in an ever-diminishing window of time."

Expectedly, the snub has provoked a backlash. As the popularity of "OK Boomer" skyrocketed (there was merchandising, and some young people even attempted to trademark it), critics complained about an entitled and ageist slur that was rude and offensive at best and "equivalent to the n-word" at worst. Workplaces began to discuss the inappropriateness of the word "Boomer" itself. Some pointed out, smugly, that the phrase was a "passive admission as to who is really in charge".

Of course, the resonance in India will be

limited, never mind the cheeky posters in the youthful crowd. The "Baby Boomer" concept is rooted in the demographic history of the US, and is alien to India. Post-World War II couples reuniting during a prosperous time led to a subsequent surge in population in North America, along with a new confidence, better health, and unprecedented control over their circumstances. The situation in post-colonial India was totally different.

That said, intergenerational tensions may still have some universal expressions — especially in today's interconnected, globalised world in which everything is everywhere at almost the same time. As more colleges and universities around the world become centres of dissent and more family WhatsApp groups the theatres of strong political disagreements, an Internet-fuelled generation will continue to make its voice heard — even if it is to ignore those before them.

