Fuming in the corner

Many senior Bharatiya Janata Party (BJP) leaders seethe when they find they are being given a go-by but newcomers in the party become the new face of the BJP on TV cameras. Everyone likes to be seen on TV but it is an acquired talent. Naturally, the BJP wants to maximise its advantage by fielding those who criticise their erstwhile parties in most trenchant terms. Some of the (new) spokespersons include Gaurav Bhatia (formerly with the Samajwadi Party), Tom Vadakkan (ex-Congressman and a staunch Gandhi family loyalist before he joined the BJP) and Baijayant Jay Panda (ex Biju Janata Dal or BJD). Many senior leaders of the BJP would like to replace some of the above but they either don't have the bandwidth or the fluency to make the cut.

A possible exception is Panda who had defended the Modi government on demonetisation, the GST and the economy even during his BJD days. Back then, he used to laugh and say that the answer lay in his name — his initials are BJP, BaiJayant Panda!

Payback time

Heads are going to roll in the BJP Jharkhand unit. The first to go could be Om Mathur, the man New Delhi had deputed to oversee the election in which even the chief minister lost. It seems Mathur was "complicit" in everything Raghbar Das did, including making light of Saryu Roy, the man who defeated the latter. Das is reported to have told Mathur Roy wouldn't get more than 10,000 voted: He defeated the CM by a margin of 76,000!

Also, the BJP had ordered 500 kg of *laddoos* ahead of the results. Wonder what happened to those?

DID THEY REALLY SAY THAT?

"We have been giving attention to our western front in the past. The northern front now also requires an equal amount of attention…"
Chief of Army Staff, General MM Naravane, at his first briefing with the media as chief in New Delhi on January 1

THE SCENT OF A CRISIS? ONIONS AND POLITICS

- Atul Garg, junior minister of health in the Yogi Adityanath government: "If the price of one vegetable increases or decreases because of excessive rain or crop failure…I don't think one needs more than 50 or 100 grams of onion to improve the taste…. I would ask people to eat less onion."
- Ashwini Choubey, Union minister of state for health: "I am a vegetarian. I have never tasted an onion. So, how will a person like me know about the situation [market prices] of onions."
- Nirmala Sitharaman, Union finance minister: "I don't eat much of onion-garlic. I come from such a family which doesn't have much to do with onion."
- Uddhav Thackeray, Shiv Sena: "When Modi was not the Prime Minister he had expressed concern over the rising prices of onions. While he was the Chief Minister of Gujarat he had stated that onion

is a vital vegetable and added that the vegetable should be kept in the locker. Today, his policy has changed. Earlier, an unconscious person was cured with the smell of the onion. But that it not even possible now as the edible bulb has disappeared from the market."
- Vijay Goel, BJP leader in Delhi: "The Centre imported 6,000 metric tonnes of onions but Kejriwal's government is not ready to take it. I think they are playing politics with onion prices."
- Subhash Chopra, Congress leader in Delhi: "The AAP and BJP governments need to be reminded that the people of Delhi had thrown out the BJP government in the city in 1998 over rising onion prices. The people of Delhi need to vote out the AAP government, which has woefully failed to control not only the price of onions, but other essential commodities."

OPINION
NARENDRA MODI

When system doesn't respond, youth get restless

My dear countrymen, *Namaskar*. The moment to bid adieu to 2019 is round the corner knocking at our doors! In a matter of just three days, not only will 2019 wave good bye to us; we shall usher ourselves into a new year and a new decade; the third decade of the 21st century! I extend my heartiest greetings to all countrymen on the arrival of year 2020.

One thing is certain about the decade to come. And that is, it will witness the active contribution of those who were born in the 21st century, in the country's progress; these are people who are growing up, understanding the significant issues pertaining to this century. The young people such as these, are known by myriad terms. For some they are millennials; others call them generation Z or Gen Zee too; and broadly speaking, one thing that has captured the collective psyche is that this is the "social media generation"…It thrives on the dream to do something new, something different. It has its own set of opinions. And the best part is; especially in the case of India; according to me, they appreciate the system. Not just that, they prefer to follow the system. And in the event of the system not responding properly, they get restless and even courageously question the system itself!

I consider this attribute as a virtue. One can even say with certitude here, that the country's youth detests anarchy of any sort. They despise any element of lack of governance and instability; abhorring any shades of nepotism, casteism, favouritism or gender discrimination. There are times when we see them at an airport or a cinema theatre; if someone tries to break a queue, the first to react vociferously are these young people. And we have noticed; if such an incident takes place, the youth present around make a video of it on their mobile phones, which goes viral within no time! And the culprit instantly realizes the consequence…

Swami Vivekanand ji had observed, "My faith is in the younger generation, the modern generation; out of them will come my workers". Referring to the youth, he had remarked, "The value of youth can neither be ascertained, nor described!" …On the birth anniversary of Vivekanand on the 12th of January, on the occasion of National Youth Day, every young person should give a thought to this responsibility, taking one resolve or the other for this decade.

My dear countrymen, many of you must be aware of the rock in Kanyakumari where Swami Vivekanand ji had entered into the meditative state, the spiritual "*Antardhyan*". That very Rock Memorial is completing 50 years of existence. For the last five decades, it has earned a place of pride for India. Kanyakumari exudes a special attraction, nationally as well as for the world. For anyone seeking to experience spiritual consciousness filled with national pride, this has become a centre of pilgrimage, a temple of faith. Swamiji's Memorial has inspiringly instilled a sense of national pride amongst people, irrespective of their sect, age or class. It has shown the way to realise and follow the mantra, "In service of the poorest of the poor". Whoever visits the place, naturally experiences a surge of inner energy, a sense of positivity; the resolve to contribute something to the country.

Recently, in connection with the 50 years, our Honourable President paid a visit to the Rock Memorial. And it's a matter of joy that our Vice President too visited the Desert Festival held in Rann of Kutch, Gujarat for the inauguration. When our Hon'ble President & Vice President are visiting such important tourist destinations in India, it is bound to inspire our countrymen. I urge you too to travel and visit these places.

My dear countrymen, all of us study in myriad colleges, universities and schools. But after completing studies, alumni meets are joyous occasions. At any alumni meet, members come together, sharing youthful memories, going back 10, 20 or even 25 years. At times, such meets turn out to be a special attraction that gets noticed. And it is also important for it to catch the attention of our countrymen. Actually, an alumni meet is an occasion for old friends to come together, refresh memories; these are happy moments indeed. Alongside, if this union comprises a shared purpose, a positive, an emotional connect, it lends additional hues to the event.

You must have seen alumni groups at times, contributing something or the other to their schools. Some arrange for systems for computerisation, some organise a better library, others go for revamping drinking water facilities or new rooms. Some have gone to the extent of facilitating sports complexes. One thing or the other! It gives them inner joy to do something for the place that shaped their life…everyone feels so and should feel so. And people do come forward for the same.

But today, I wish to present before you a special occasion. Just recently, I came across on the media, a story on the Bhairavganj Health Centre in the West Champaran district of Bihar. It was such a nice feeling that I could not stop myself from sharing it with you.

At this Bhairavganj Health Centre, thousands of people from neighbouring villages converged for a free health check up. Of course, you will not be surprised at that! You may say, "So what? What is new in that? People must have thronged there, as usual!" Not at all. A lot about it was new. This was not a government programme, nor was it a government initiative. This was a step taken as part of an Alumni Meet organised by former students of the local K R High School. And they named it "Sankalp 95". "Sankalp 95" means, the resolve undertaken by the 1995 Batch of that High School.

Actually, students of this batch held an alumni meet and thought of doing something different. Under this, the former students resolved to do something for society and decided to shoulder responsibility in the area of Public Health Awareness. Under the aegis of "Sankalp Ninety Five", Government Medical College of Bettiah and many hospitals also joined in this campaign. And after that, an entire movement centred on public health got started. Be it free medical tests, distribution of free medicines, or just spreading awareness, "Sankalp Ninety Five" has become a shining beacon for everyone…

Edited excerpts from Prime Minister Narendra Modi's last 'Mann ki Baat' address in 2019 (December 29) in New Delhi

---

ILLUSTRATION BY BINAY SINHA

MANOJ KUMAR is chief executive officer of the India Health Fund (IHF) and architect of Social Alpha, an initiative to strengthen the science and technology start-up ecosystem in India. He is an alumnus of Harvard Business School and has been an investment banker. He tells *Aditi Phadnis* about his contribution to challenging TB and the use of technology aggregation in it

'Disruptive innovation can root out TB'

India had 2.7 million of the world's 10 million people diagnosed with the disease in 2017. Some 135,000 had the drug-resistant form of TB, a quarter of the world's total. Despite so much money poured into TB elimination programmes, why is it so difficult to fight this disease in India?
The approach should be focused not only on funding TB elimination programmes. The annual loss caused by TB to the Indian economy is almost $23.7 billion. There is a need to raise awareness about how deadly TB is. There are several socio-economic factors that make it difficult to eliminate this disease. According to the World Health Organization (WHO), crowded and poorly ventilated living and working environments are often associated with poverty and are direct risk factors in TB transmission. Almost 40 per cent of TB cases are missed by the health systems because of poor accessibility.

Furthermore, the stigma within the TB community acts as a barrier to ending the disease. People do not have correct information about TB, especially that it is an airborne disease and is likely to spread among people living in close proximity.

TB is not just about the disease, it is also because of contributory factors like lack of nutrition, housing, and insanitary conditions. How do we tackle this?
It is important to understand and identify the comorbidities in people diagnosed with TB. There are medical conditions that could be risk factors for TB and lead to poor TB treatment results. According to WHO, people living with HIV are 15-22 times more likely to develop TB than people without HIV. Similarly, the risk of TB among people with diabetes is two-three times higher than among those without diabetes.

Undernutrition is also one of the key determinants of TB. While TB treatment often helps normalise nutritional status, many TB patients are still malnourished at the end of treatment. Nutritional assessment and counselling, and managing malnutrition based on the nutritional status are an important part of TB treatment. For instance, the Revised National Tuberculosis Control Programme (RNTCP) has started the "Nikshya Poshak Yozana" under the National Health Mission (NHM), where a financial incentive of ₹500 per month is provided for nutritional support to each notified TB patient under treatment.

Steps should be taken to improve working conditions in setting such as factories and prison.

There has been out-of-the-box thinking on tackling TB. Tell us about it.
At the India Health Fund (IHF), we feel that "disruptive innovation" is the need of the hour. The IHF has been fortunate to have worked with innovators who are constantly working on addressing TB. Some of them have used data science and artificial intelligence (AI) and other technologies to create diagnostic kits. For instance, CisGEN Biotech Discoveries has come up with an innovative solution that uses a combination of native and recombinant antigens to detect bovine TB. Qure.ai has used AI and deep learning technology in radiology imaging for quick and accurate diagnosis of TB. Similarly, Valetude Primus Healthcare (VPH) has developed an immuno-magnetic cell capture technology, which can be used at the community level to replace sputum smear microscopy for diagnosing tuberculosis.

The Centre for Health Research and Innovation (CHRI) is creating an ecosystem for faster diagnosis and treatment initiation for TB patients through Molbio's Truelab Real Time quantitative micro-PCR system and focusing on its execution. Similarly, Innovators in Health (IIH) has started a programme of treating TB by providing health care facilities for communities. They are implementing door-step health care, strengthening public institutions, and empowering women through investing in female community health care workers (CHWs). For improving adherence, Sensedose Technologies has developed the Tuberculosis Monitoring Encouragement Adherence Drive (TMEAD), which is a medicine dispenser that aims at leveraging the power of physical alarm based and digital notification-based reminders to make sure patients never forget to take medicines.

Early diagnosis can help control and eliminate disease. Right now, the most prevalent way of diagnosis is the sputum test. But more sophisticated technologies are available…
An accurate diagnosis of the disease is the first step towards eliminating TB. To speed up this process, India has adopted technologies such as the GeneXpert. Compared to the sputum tests that exist now, GeneXpert is different because it can diagnose a person with TB, and if the TB bacterium has resistance to one of the common TB drugs, Rifampicin. Another tool, the CB-NAAT test, takes nearly 100 minutes as compared to the cultural way of sputum collection, which takes one-eight weeks.

The TrueNat machine, developed by Molbio Diagnostics, helps in rapidly detecting TB bacteria using the polymerase chain reaction (PCR) technique. The machine looks for the DNA specific to TB bacteria. If the machine detects it, it uses PCR to copy (amplify) small segments of DNA and use it for different laboratory procedures. TrueNat can remarkably change TB treatment since it is an indigenous, cost-effective and sensitive device that can detect TB and MDR-TB and give results within an hour while the conventional tests take 24 to 48 hours.

When will your work begin to show results?
The IHF has always recognised and supported new organisations and entrepreneurs who are curating groundbreaking technologies in TB. However, these innovations take four-five years to develop, which is followed by clinical validations, testing, pilots, and regulatory approvals. It is not our aim to rush through the process of innovation but create an innovation that is relevant, validates the need by mapping to a problem area, and can be easily adopted in the country.

A team of scientists and medical practitioners are guiding and mentoring innovators. The IHF is creating a platform for these innovators through mobilising resources and building public-private partnerships.

Experts disagree on whether preventing the disease in the first place, improving housing and nutrition, removing the stigma attached to the disease, facilitating better diagnosis, convincing patients to keep taking medicines, better access to new drugs or developing a TB vaccine are the most important factors to achieve the target. What is your view?
All these need to be given priority. One can execute diagnosing and treatment programmes, but it won't be efficient without strengthening the socio-economic conditions of the people, especially those of marginalised sections. Clinical programmes and developing strategies for strengthening societal factors are both equally important.

We need corporations, civil society, philanthropists, and individuals to come together and contribute funds. The IHF is designed to act as the aggregation platform for such funds.

Q&A

MANOJ KUMAR
Chief executive officer
India Health Fund

Living to feed those who eat to live

Dadi ki Rasoi is a unique experiment started by a family with no state support, to provide nutritious hot meals to the poor. It is not charity, but at ₹5, it is a lifeline for many, writes Aditi Phadnis

Anoop Khanna started out in life as a businessman, a chemist. He still runs his shop as the bread and butter option. But he has an obsession that refuses to leave him.

At a family lunch one day, he noticed his 90-something mother just picking at her food. She'd been ill and was unable to eat. Something stirred within Khanna when she lamented the amount of food that was going waste because she had no appetite. On August 21, 2015, the Khanna family decided to start a soup kitchen, Indian style, offering affordable meals to people on the streets who are hungry but cannot spend much money.

With the full backing of his family and the support of many friends, he has been hosting a 5-rupee meal every day from 10 am-1.30 pm at Sector 7 and 12 noon to 2 pm at Sector 29 in Noida since 2015. Today, around 500 people get a hot meal every day.

It was Khanna's daughter Sakshi who decided to name the soup kitchen Dadi Ki Rasoi (Grandmother's kitchen). Khanna made the initial investment of ₹30,000. Why ₹5? Why not free? Khanna believes no one values anything that's free. Besides, everyone needs food but self-respect is important too. So asking for nothing except that people queue up to buy food (he was determined that there should be no ugly fights over food: There is nothing worse. At Dadi ki Rasoi, you break the queue at your own peril) Khanna is on hand every day, dishing out tasty food.

Everything is cooked in desi ghee. And Khanna packs a lunch box for himself where he samples the food before serving it to others. The highest standards of hygiene are maintained in the kitchen. It is as if you are eating home-made food. He procures all the groceries himself from wholesale markets at half the market price. A *sabziwala* sells vegetables to him at low prices in return for food for himself and his family. Everyone who eats at the outlet is treated the same way: Whether they are rickshaw-pullers, or garbage pickers or toilet cleaners or domestic help. The only exception is roti, which is hard to make and hard to scale up. Extra roti is given to someone who is demonstrably poor because they need it more. When you've finished your meal, there are capacious dustbins to clear the rubbish. Once the soup kitchen winds up for the day, you can't tell it was there, the surroundings are so clean.

"I don't know how long I will be able to run this. But this much I can tell you: There is nothing more satisfying than watching someone obviously hungry, eat to their fill. When I felt my experiment had taken off, I decided I would run it as long as I could," Khanna told local newspapers.

One thing has led to another. For ₹10, you can buy a recycled warm jacket or pull-over from the same spot. Khanna collects old serviceable clothes from donors, has them dry cleaned and repaired if necessary, wraps them in clean plastic sheets and offers them for sale to those who have their lunch at his outlet. Because he is a qualified chemist, he has also started, leveraging the Prime Minister Jan Aushadhi Yojana, to provide even the most costly medicines at a fraction of the cost — sometimes

no more than ₹1 or 2.

Recognising his efforts, friends, family and even strangers contribute in different ways. On birthdays or wedding anniversaries, people donate sweet dishes, sponsor food or buy groceries to feed people on one day. In the bitter cold that has gripped the capital, warming glucose biscuits, *khoya* sweets and fruits were served over the new year, because of the generosity of generous benefactors. There are

people who offer services, not just cash: And Khanna can do with additional hands any time.

He says he is originally a resident of Moradabad in UP and came to Noida in the 1980s. For several years, he ran a chemist shop but was deeply inspired by his father who participated in the freedom struggle and believed in Gandhi's dictum that society will become what people want it to become. He doesn't believe in charity but in generosity and philanthropy; in need, not greed.

THE OTHER INDIA

(Clockwise from top) Khanna serving a meal to one of his 'customers'. As many as 500 people get a hot meal every day at his soup kitchen by paying a nominal charge of ₹5; with his wife

Revisit IT liability rules

Safeguards must be brought in to protect privacy

Several major global non-profits such as the Wikimedia Foundation, which operates Wikipedia, code repository Github, and the Mozilla Foundation, which supplies the Firefox browser, have expressed reservations about the new Personal Data Protection Bill and allied changes in the IT intermediary liability rules, due to be notified this month. This will not only affect privacy and freedom of expression, according to an open letter from Wikipedia, but will also entail additional costs.

Provisions such as automated filtering, setting up local entities, fast takedown of content, and traceability may be impractical, or impossible to comply with, given that the Wiki relies on crowdsourcing content. If the Act is not amended, the free encyclopedia, which has content in 23 Indian languages, may be forced to exit India. That would be a tragedy. It was accessed over 771 million times by Indians in November alone and many Indians contribute to it.

In addition, as the open letter by Wikimedia points out, the government had been extremely secretive about the draft intermediary rules. Although public consultations were submitted over a year ago, the final format of the Rules, which are due to be notified by January 15, has not been released. This makes informed debate impossible.

These rules affect every intermediary platform with more than 5 million Indian users. Digital giants such as Google, Facebook, Amazon, Netflix, and others are also affected. There have been complaints by many organisations that they cannot prepare for a change in regime without a clear and complete picture of the proposed changes. Even the Internet and Mobile Association of India has expressed doubts, saying that the benefits are unclear and this imposes high costs on service providers.

Justice B N Srikrishna, who led the committee that drafted the proposed data protection Bill, has said the amendments could turn India into an "Orwellian surveillance state". The Bill as passed by the Cabinet for presentation in Parliament on December 11 removes all checks and balances on state surveillance. The original draft by the Srikrishna Committee had suggested government collection of data without consent be "necessary and proportionate", and for "reasonable purposes".

Those safeguards have been removed. Hence, all organs of government can collect and process personal data without knowledge or consent. In addition, all "non-personal" data is to be made available to the government by any private organisation collecting it. Such anonymised data can be linked to specific individuals by matching the Aadhaar and Election Commission data. It would be easy to misuse such data for all sorts of nefarious purposes, including influencing elections.

Intermediaries, which host content, would have to set up a local entity with legal liability. They would need to ensure traceability of all content and comply within 72 hours for requests by local authorities for takedown of content. All sensitive personal data would have to be stored and processed locally, and content could be geo-blocked to make it unavailable in India.

Apart from expenses in moving to local servers and setting up local entities, some of this is technically unfeasible for a collaborative model like the Wiki. It may be technically impossible for anybody to trace content, given the use of virtual private networks and encryption. But it would be impossible for Wikipedia to comply on principle. It requires editors to collaborate across regions, and it avoids traceability to prevent harassment of content creators, who write on sensitive topics while based in undemocratic regimes. India could soon join Iran, Pakistan, Turkey, and China on the list of countries where Wikipedia is blocked.

Apart from the organisations mentioned above, there could be legal challenges based on infringements of the fundamental right to privacy. The Internet Freedom Foundation (IFF), an Indian organisation that advocates protecting digital rights, has requested the newly-formed parliamentary committee to review the Bill to undertake another, transparent public consultation. The Bill makes every Indian vulnerable to 24x7, 360-degree government surveillance. It would have a chilling effect on free speech, and on e-commerce. Amendments incorporating safeguards are necessary.

Saving Indian telecom

The recent tariff increases by telecom operators will improve their earnings, enabling them to invest in better network infrastructure and step up service quality

RAJAN S MATHEWS

Hyper competition in the telecom sector over the past several years has caused a steep decline in average revenue per user (ARPU). With rapid consolidation (the Indian market at one time had more than 10 operators, but now only four big players remain) and the resulting intensification of competition, ARPUs nosedived to record lows. In fact, industry ARPU has declined by almost 48 per cent in the last 10 years — from ₹141 in 2009-10 to ₹73 in 2018-19.

The absolute decline in ARPU is even starker if we consider inflation, which has been a constant companion of a developing economy such as India. In spite of the fact that inflation has put pressure on telecom service providers' costs, the ARPU, after adjusting for inflation, has consistently declined over the last 10 years — from ₹125 in 2009-10 to a mere ₹69 in 2018-19. This is the lowest recorded ARPU in the country, even if we take the entire decade into consideration. Thus, while consumers were spending higher amounts on daily necessities, their monthly telecom bills witnessed a deflationary trend.

If we look at another parameter, that of currency movements — the value of the US dollar vis-à-vis the rupee — the decline in ARPU is very significant. Industry ARPU adjusted for appreciation in the value of the dollar plummeted by a whopping 66 per cent over the last 10 years. The value of the dollar appreciated steeply, from ₹44.83 to the dollar in 2009-10, to ₹69.17 in 2018-19.
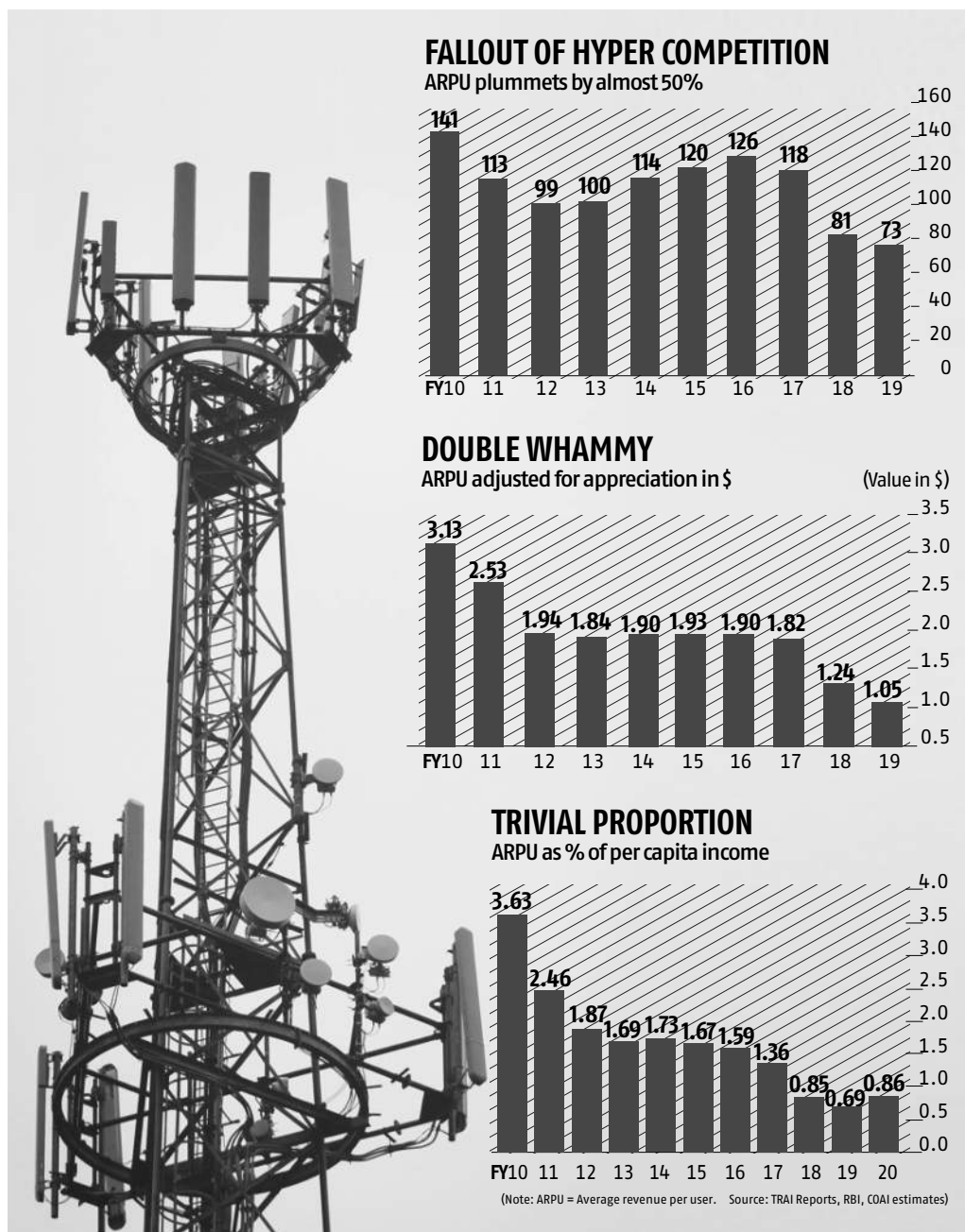
In fact, ARPU adjusted for appreciation in the value of the dollar plunged from $2.53 in 2010-11 to $1.05 in 2018-19. Considering the fact that telcos pay for the equipment they purchase in dollar terms, the appreciation in the dollar on the one hand and the decline in revenue per subscriber on the other has been a double whammy, and has only added to the financial woes of the cash-strapped telecom sector.

Also, while the per capita income of consumers improved considerably over the last 10 years, thanks to the overall economic buoyancy and resilient business environment, ARPU as a proportion of per capita income declined from 3.6 per cent in 2009-10 to a mere 0.69 per cent in 2018-19. This is the lowest it has plummeted in the past 10 years.

Consumers have benefited from rock-bottom telecom tariffs, but operators are in deep financial stress, with squeezed margins and ballooning debt

Thus, today's consumers are paying a trivial portion of their income for their communication needs, compared to what they used to pay just a decade ago. Ironical as it may sound, the quality and speed of communication has improved by leaps and bounds in this period.

While consumers have benefited tremendously from rock-bottom telecom tariffs, the telecom sector has been reeling under deep financial stress. The steep decline in ARPU over the years led to significantly squeezed margins, ballooning debt and falling revenues.

The double hit from the high spectrum cost and the revenue share levies, which include licence fees and spectrum usage charges, has created a scenario where telecom service providers were left with no choice, but to hike the existing tariff rates. Even after the recent hike in tariffs, consumers will still be paying a paltry amount of 0.86 per cent of their per capita income, which is still much lower than what it was four years ago.

After meticulous analysis, many experts and industry stakeholders came to the conclusion that the hike in tariff by telecom operators will actually prove to be immensely beneficial to consumers, the government and the industry alike, in both the short as well as the long term. As the earnings of the sector improve, so will the investments, which will ultimately result in better network infrastructure, and usher in new capabilities, innovations and technological advancements, thereby bringing about augmented quality of communication services for the consumers.

With the price hike, the government's share of revenue from the telecom sector will definitely improve in due course. Telcos will also have some additional funds to invest in enhancing and expanding services to consumers, garner profits from newer channels of revenue that emerging technologies will bring with them and, ultimately, would also be able to fulfil the objectives that are outlined under the National Digital Communications Policy 2018, which replaced the National Telecom Policy 2012. Considering that telecom is the very economic backbone of the country and one of the key fulcrums driving the government's digital India programme, its financial well-being cannot be compromised at any cost.

The writer is director general, Cellular Operators Association of India

FALLOUT OF HYPER COMPETITION
ARPU plummets by almost 50%

FY10	11	12	13	14	15	16	17	18	19
141	113	99	100	114	120	126	118	81	73

DOUBLE WHAMMY
ARPU adjusted for appreciation in $ (Value in $)

FY10	11	12	13	14	15	16	17	18	19
3.13	2.53	1.94	1.84	1.90	1.93	1.90	1.82	1.24	1.05

TRIVIAL PROPORTION
ARPU as % of per capita income

FY10	11	12	13	14	15	16	17	18	19	20
3.63	2.46	1.87	1.69	1.73	1.67	1.59	1.36	0.85	0.69	0.86

(Note: ARPU = Average revenue per user. Source: TRAI Reports, RBI, COAI estimates)

An African monetary union worth watching

AMOL AGRAWAL

The decade of 2010 could be described as belonging to the field of monetary economics. From the advent of bitcoin, which shaped the discussion on cryptocurrencies, to quantitative easing to negative interest rates, we have seen it all. What was once seen as unconventional monetary policy became conventional. At the very end of 2019, we saw another crucial development in monetary economics — the end of the CFA franc zone in select African countries and a shift to a common currency, the Eco. The common currency bit is not new, as we have the euro, but the ending of the CFA Franc Zone marks the end of France's colonial hold over its erstwhile African colonies.

Colonialism may have ended, but France continued as a monetary colonial power. In 1945, it not only joined the Bretton Woods system, but also created a CFA Franc Zone for its African colonies. CFA then stood for Colonies Française d'Afrique (French colonies of Africa), and this was later changed to Communauté Financière Africaine (African Financial Community).

The CFA zone currently has 15 members. All, barring Guinea-Bissau (Portugal) and Equatorial Guinea (Spain) were French colonies. Some countries quit the CFA Zone (Guinea and Mauritania) and introduced their own currency. Mali left the zone and then rejoined. Within these 15 members there are three sub-groups. The first is the eight-member West African Economic and Monetary Union (WAEMU — Benin, Burkina Faso, Ivory Coast, Mali, Niger, Senegal and Togo), followed by the Central African Economic and Monetary Union (CAEMU — Cameroon, Central African Republic, Chad, Congo, Gabon and Equatorial Guinea). Both have their own currencies (Central African CFA franc and the West African CFA franc, respectively), but these are interchangeable and follow the same rules and values. WAEMU's headquarters is in Senegal and CAEMU's is in Cameroon. The 15th member is the Comoros, which is not a member of either group.

The CFA franc was initially pegged at 1 CFA franc = 1.7 French franc (FF), and has been revalued (1959) and devalued (1994) in its 75-year history. In 1999, as the FF gave way to the euro, the CFA currencies were also pegged to the euro. Currently, 655.97 CFA and 491.968 KMF (Comorian Franc) = 1 euro.

This pegging against the FF and later the euro gives the three currencies unlimited convertibility to the euro. For this service, the central banks of the two zones are required to keep at least 50 per cent of their foreign exchange reserves (Comoros keeps 100 per cent) in a current account with the French Treasury. The French central bank also assists these countries by providing them with a secretariat to hold half-yearly meetings of the CFA franc zone, drafting the CFA franc zone's annual and economic research reports, and even in printing CFA currency.

Within all this, WAEMU's eight members and seven more African economies plan to launch a single currency, the Eco. The seven members have their own currency. The group of 15 economies is named ECOWAS (Economic Community of West African States) and is broadly based on European principles of monetary integration. The deadline for the single currency project has been getting delayed, the latest deadline being January 2020. To become a member of Eco, the countries are expected to meet a 10-point convergence criterion. The three main points of convergence are: Annual inflation of less than 10 per cent, a public debt/GDP ratio of 70 per cent and a budget deficit of 4 per cent of GDP. Most members, barring Ghana, have barely achieved these targets.

On December 21, 2019, the presidents of France and Ivory Coast made the historic announcement that France would no longer manage the CFA Franc Zone, ending its monetary imperialism. The CFA members will not be required to maintain forex reserves and can make the transition to the Eco without glitches.

> **Member-countries will need to work much harder to come anywhere close to the integration they are visualising with the common currency project. It is an important milestone in world monetary history**

This eventful imperial monetary history of France and western and central Africa is a telling one. How France has dominated the affairs of these countries despite giving them independence in the 1960s is something that has not received adequate attention from monetary scholars. In 1960, then French finance minister Valéry Giscard d'Estaing dubbed the dollar's hegemony as an "exorbitant privilege", without realising that the FF also enjoyed the same privilege. The dollar built its privilege on its dominant economic position in the world economy, while the FF's privilege was based on colonial exploits.

This monetary history is also not straightforward. Countries opt for a fixed exchange rate system to benefit from the lower inflation of the pegged currency, but France had an inflation problem for most of this period. Now they are moving to a single currency, the Eco, where the idea is to benefit from financial and monetary integration. However, the euro's experience points to the need for several unions — fiscal, banking, capital markets — for a monetary union to work effectively.

The Eco member-countries will need to work much harder to come anywhere close to the integration they are visualising with the common currency project. The Eco project currently is about regaining national pride, as own currencies matter, and will have to find an economic basis soon. Whatever the outcome, the ending of the CFA Franc Zone in 2019 and the possible start of the Eco in 2020 is an important milestone that merits a place in world monetary history.

The writer teaches at Ahmedabad University

▶ OTHER VIEWS

With tax revenues sluggish, govt unlikely to meet targets

Budget must present true picture. It can form the basis for a new fiscal road map

A slowing economy has taken a grave toll on government finances. At the aggregate level, the Centre's gross tax revenues have grown by a mere 0.81 per cent in the first eight months (April to November) of the current financial year. In comparison, the Budget had pegged revenue growth at 18.3 per cent this year. With revenues falling well short of expectations, the Centre may have to cut back on spending in order to meet the fiscal deficit target. Considering that higher government spending has propped up the economy so far, any cuts in spending will aggravate the slowdown. On the direct tax side, though the full impact of the reduction in the corporate tax rate on revenues is not immediately clear, corporate tax collections have contracted by 0.91 per cent over the same period, as against a target of 15.4 per cent. Personal income tax collections have fared marginally better. On the indirect tax side, if Integrated GST collections in December are equally split, then Central GST collections at the end of December would stand at ₹3.72 trillion, compared to the full year target of ₹5.26 trillion. Then there is also concern over meeting this year's disinvestment target.

Finance Minister Nirmala Sitharaman's maiden budget was criticised for not presenting an accurate picture of government finances. The upcoming budget is an opportune moment for the government to come clean, present an accurate picture. This could then form the basis for drafting a new, realistic fiscal road map.

The Indian Express, January 3

Swachh rankings not ideal

The goal should be sustainability

The NDA government's Swachh Survekshan, the ranking system for clean cities, was rolled out four years ago as the answer to a problem that municipal law failed to solve. Sanitation and public health are responsibilities of state governments, and it is no secret that they have spectacularly failed at managing growing volumes of municipal and hazardous waste. The problem has only been compounded by the absence of plans that take a holistic view of housing, sanitation, water supply, waste management and transport. As an idea, unleashing the competitive spirit among states may seem appealing, but in reality, the problems confronting urban India require large-scale infrastructure creation, full adherence to legal requirements on waste management, and transparent technical audits.

The emphasis worldwide is on creating a circular economy centred at the principle of material recovery from all kinds of waste, reuse, recycling and reduced pressure on natural resources. A sound ranking of cities and towns would naturally give the highest weightage to this dimension of sustainable management, replacing symbolism with an environmentally sound approach. Retooling Swachh Survekshan 2020 to go beyond perception management and adopt sustainability is essential to make it a genuine contest.

The Hindu, January 3

Reaching out to neighbours

Bilateral relations pose challenges

Prime Minister (PM) Narendra Modi ushered in the New Year with a set of phone calls with some of India's most important neighbours. When Mr Modi took the oath for the second time last year, it was not Saarc, but leaders of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) who were invited to the ceremony. It is not a coincidence that four of the countries the PM reached out to are Bimstec members. But the organisation, beyond getting high political attention, has not been effective in boosting regional economic integration and connectivity.

But the greater concern is bilateral ties, especially in the backdrop of growing Chinese political and economic engagement in all these countries. In Sri Lanka, India displayed deft diplomacy in engaging with the Rajapaksas — but there is a slow return to both Sinhalese majoritarianism and a degree of authoritarianism. In Nepal, the Oli-led communist government has deepened cooperation with China on an unprecedented scale, brought in legislations to curb media and civil society, and has made no effort to address the issues of ethnic minorities. This will all undermine Indian efforts to have an inclusive and friendly Nepal. All of these just show that translating neighbourhood first into tangible outcomes will be a hard task ahead for Delhi.

Hindustan Times, January 3