WORDLY WISE

EATING IS AN AGRICULTURAL ACT.
— WENDELL BERRY

The Indian EXPRESS
FOUNDED BY RAMNATH GOENKA
BECAUSE THE TRUTH INVOLVES US ALL

AFTER THE HARVEST

New Agriculture Infrastructure Fund is welcome. But cold chains and agro-processing are no panacea

AFTER HAVING ISSUED ordinances removing stockholding restrictions on major foodstuffs and dismantling the monopoly of regulated mandis in the trading of farm produce, the Narendra Modi government has launched a new Agriculture Infrastructure Fund. A financing facility for setting up warehousing, cold chain, processing and other post-harvest management infrastructure, it provides an interest subvention of 3 per cent on loans of up to Rs 2 crore for a maximum seven-year period. The borrowers are mainly to be farmer producer organisations and primary agricultural cooperative societies, with a targeted disbursement of Rs 1 lakh crore over the current and next three fiscals. In order to make it attractive for banks, the loans would also have government-backed credit coverage against defaults. All in all, a good scheme at least on paper. No one can doubt the need for investments in produce shelf life extension and value addition. Also, there can be nothing better than this infrastructure coming up closer to farms and established farmer-owned institutions, thereby complementing the recent reforms that essentially aim at improving producers' realisations and their share in the consumer's rupee.

But there's a need to temper expectations. To start with, organisations such as the National Horticultural Board are already providing credit-linked subsidy on capital investments in pre-cooling units, controlled/modified atmosphere cold stores, reefer vans, ripening/curing chambers and other such post-harvest infrastructure. There is no dearth today of cold stores in potatoes, just as a lot of storage capacity, including low-cost scientifically-built on-farm structures, has been created for onions under the Rashtriya Krishi Vikas Yojana. So why one more scheme, is a natural question to ask. If at all, it would make sense to merge all existing schemes with the new fund so as to better leverage government money.

Secondly, cold chains and agro-processing cannot be a panacea. More than three-fourths of India's sugarcane crop is "processed" by mills. Organised dairies, likewise, handle nearly a quarter of the officially-estimated milk production. Many have even installed bulk coolers allowing milk to be chilled "at source" in the village collection centres itself. But all that hasn't solved the problem of cane payment arrears or stopped the current crash in milk procurement prices. The same goes for onions and potatoes. Being able to store certainly enables farmers to harvest their crop, say, in March and make staggered sales till November to take advantage of higher off-season rates. But again, it has not ended price volatility that ultimately benefits neither producers nor consumers. The focus of policymakers during the first 40 years after Independence was raising farm production. In the subsequent two decades, they started paying more attention to agro-processing. The next revolution, especially in today's age of surplus, should be in crop planning and information dissemination to help farmers better align their production decisions — what to grow and how much — to market demand.

FIRE AND PANDEMIC

Fire accidents in COVID-care facilities in Ahmedabad and Vijayawada follow a dismal pattern. There must be safety audits

AT LEAST 10 COVID patients were asphyxiated when a makeshift hospital in Vijayawada caught fire on Sunday. More than 20 other patients and six medical personnel were reportedly present in the hotel-turned COVID-care facility when a short circuit in the building's air-conditioning unit flared into a blaze. Andhra Pradesh's health minister A K Krishna Srinivas has blamed Ramesh Hospital, which had rented the hotel, for failing to check if the temporary facility adhered to fire safety norms. He has accused private hospitals of taking "advantage of people's fears of the virus and their reluctance to take treatment at government hospitals by charging exorbitant fees in the name of good treatment". He has a point. But the Vijayawada blaze also frames the failure of the state in not using the lockdown period to mobilise amenities for COVID patients. It's evident that safety concerns were given short shrift in the scramble for standby arrangements, after Andhra Pradesh's COVID caseload began to increase.

It is no rocket science that, with their breathing capacity compromised by the viral attack, COVID patients are particularly vulnerable to any incident that affects their oxygen intake — exposure to smoke that contains carbon monoxide could have fatal consequences for them. Some countries have issued fire safety guidelines in the aftermath of the pandemic. But it's unfortunate that in India, where innumerable buildings are tinderboxes — the country accounts for nearly a fifth of the serious fire accidents in the world according to the Global Disease Burden Study 2017 — no special measure or awareness campaign was initiated to obviate fire hazards during the health crisis. Accidents in COVID-care facilities have followed a playbook made familiar by past instances of fires in hotels, coaching centres, cinema halls and hospitals — authorities reacting too late to violations of safety protocols. Last week, for instance, a blaze swept through an Ahmedabad hospital suffocating at least eight COVID patients to death — the hospital, reportedly, did not have a fire safety certificate. Similarly, in the FIR lodged after the Vijayawada tragedy, the area's Mandal Revenue Officer is reported to have alleged that the staff of both the hospital and hotel knew about the fire hazards in the makeshift facility, and yet did not bother to conduct repairs.

After the tragedies in Ahmedabad and Vijayawada, the chief ministers of Gujarat, Andhra Pradesh, Telangana, Odisha and Uttar Pradesh have asked fire safety personnel to conduct safety audits of COVID-care facilities. Other states should follow suit. But the ripples caused by fire accidents in the country usually do not take long to die down. It's high time, therefore, that measures are taken to root out the culture of cutting corners on safety.

YOU HAVE MAIL

The postman, an archaeological relic in the digital age, is back to save democracy from the pandemic

BECAUSE POLLING BOOTHS could become super-spreaders, the presidential election in the US could see an unprecedented volume of postal ballots. Politically, the role of postmen is now so important that President Donald Trump, who is trailing in opinion polls, hints darkly that heavy polling through mailboxes would cause corruption. But what's remarkable is that despite the endless debate over the virtues of traditional versus electronic voting, despite the fact that Silicon Valley enjoys the trust of billions worldwide, Americans still trust bits of paper delivered by human hands.

This is because instinctively, we know that it is much easier to hack a digital network than a human network, made of disparate people, with diverse political inclinations and beliefs, spread across a diverse nation. In the US postal system, there is no room for Putin or Guccifer 2.0, and no possibility of a man in the middle attack. An election dominated by postal ballots is guaranteed diddle-free, by human diversity alone. Of course, Indians appreciate the human frailties of the postal system. Books and expensive magazine subscriptions vanish in the mail, and their contents surface in second-hand bookshops. Onam food parcels are delivered stuffed with newspapers, like the one in your hands, their scrumptious contents having vanished into the maw of faceless and heartless postmasters.

But the postal system, a human network, is immune to hacking, the nemesis of democracy after the Facebook and Cambridge Analytica scandals. It is old-fashioned analog. Ever since email arrived, the world's postal services have faced irrelevance. And yet, postmen sometimes spring a surprise. As they do now in the US, as defenders of democracy.

A wrong diagnosis

In post-mortem of secularism, we are hand wringing over religion, missing the real crisis

PRATAP BHANU MEHTA

PROBING QUESTIONS ARE being asked about the failures of secularism to get to the roots of India's current crisis. One characteristically introspective piece in this vein was by Yogendra Yadav, 'Secularism gave up language of religion. Ayodhya bhoomi pujan is a result of that' (*The Print*, August 5). Yogendra and I agree about several things: The plutocracy of the old order, the reductive intellectual approaches of the Left that disabled any serious understanding of Indian culture. Secularism became synonymous with the politics of opportunism, setting up a dynamic of competitive victimisation.

But Yogendra also writes, "Secularism was defeated because it disavowed our languages, because it failed to connect with the language of traditions, because it refused to learn or speak the language of our religions. Specifically, secularism was defeated because it chose to mock Hinduism instead of developing a new interpretation of Hinduism suitable for our times." This is a fashionable claim with surface plausibility. But, on reflection, this claim is historically problematic, philosophically dubious and culturally dangerous.

The Indian republic was born in the shadow of the violent catastrophe of Partition. Virtually every nationalist leader outside of the Marxist Left was crafting an idiom of politics that was suffused with religious language. They were creatively trying to craft a distinct Indian modernity within an Indian vocabulary, trying to transcend tradition without making tradition despicable. But as Gandhi recognised, that project was, in one sense, a failure: It did not prevent India's communalisation. Gandhi's example could exercise a residual moral force. But whenever religious themes were brought into politics, whether in the guardian policies that were enacted after Congress governments were elected in 1935, or in the larger ideological project or idiom, they generated conflict. So the idea that taking religion seriously as a political matter will solve the communal problem is a historically dubious proposition. Modern religious politics is born in the crucible of democracy and nationalism, not theology.

The lesson in the wake of Partition was that to avoid violence, you need to lower the stakes of politics by keeping religion out of it. The animating impulse of Indian secularism was to produce peace by trying not to make religion a matter of public contestation. And a lot of our compromises were a result of that. This was an impossible position to hold, because the reforms of the modern state require intervening in religion, to liberate individuals from oppressive and hierarchical religious hierarchies. Sometimes this intervention was asymmetrically applied to some groups more than others. But do these infirmities explain the legitimising of a whole-scale majoritarianism?

> Let us grant, as Yogendra and I always have, the political opportunism behind secular political parties. Let us grant that some communal bigots abound in any large religious community, Hindus or Muslims. Let us grant that the Left played fast and loose with historical narratives. Does this really license what we are witnessing today: The saturation and legitimation of venomous anti-Muslim prejudice? These causes that Yogendra cites, are not causes. They are, to use Edmund Burke's phrase, pretexts. Pretexts for prejudice across the religious-non religious binary.

The current contest is hardly over traditional forms of religiosity; most Hindus have made their ideological peace with modernity and preserved religiosity. The current contest is over nationalism that has colonised both religion and secularism. Who gets to be a member of this political community, do its dominant narratives have space for its diverse histories? It is not primarily about the pieties of religion. Let us not beat around the bush over what defines the current moment. It is largely about marginalising Muslims from the Indian narrative.

Let us grant, as Yogendra and I always have, the political opportunism behind secular political parties. Let us grant that some communal bigots abound in any large religious community, Hindus or Muslims. Let us grant that the Left played fast and loose with historical narratives. Does this really license what we are witnessing today: The saturation and legitimation of venomous anti-Muslim prejudice? These causes that Yogendra cites, are not causes. They are, to use Edmund Burke's phrase, pretexts. Pretexts for prejudice across the religious-non religious binary.

To take religion seriously is to preserve the conditions of religious freedom for all, letting each person discover the law of their own Being. I tremble at the thought of a politicised public sphere taking religion seriously. It usually means someone else gets to define who you are, it usually means creating authoritative versions of religion that benchmark good or bad believers, it means sanitising religious histories of their pasts so that they become comforting narratives for people, and it means instrumentalising religion to political purposes. We do not need another version of what it means to be a good Hindu. Who can be presumptuous enough to define or benchmark that? What we need is a genuine commitment to freedom, with all its risks, self-doubts and fashioning and refashioning of identities.

There was a kind of reductive cultural crudeness in a lot of Left engagement with Indian culture. But let us get real. The Left may have the commanding heights of maybe half a dozen universities; but most universities were vernacularised in the Seventies. V D Mahajan was probably more widely read as a textbook than JNU historians. Doordarshan could rightly telecast Ramayana and Mahabharata, Delhi University's obtuseness over inclusion of the Left in shaping Indian culture has been hugely exaggerated. They played conformist academic politics. But the idea that Hindus have been culturally marginalised is a trope that feeds into the convenient victimology of some Hindus, more than it describes a reality.

Yogendra is right that in North India there is a peculiar politics of resentment generated over the status of Hindi. But there is an implication here that secularists somehow disavowed Indian languages. This is odd because it seems to map secularism onto English. Every Indian language crafted a new vernacular version of secularism. The Hindi sphere had, for example, Ramdhari Singh Dinkar, Dharamvir Bharati, Hazari Prasad Dwivedi, Kunwar Narain and others. They constituted the sphere of religiously engaged but modernist public criticism. They were not sidelined by English but by the Hindiwallahs. The active secular, culturally nuanced Hindi public sphere was bowdlerised by the new generation of vernacular newspaper owners. The crisis is internal to Hindi and again feeds on the convenient trope the BJP uses that somehow a small cabal of metropolitan intellectuals is to blame for India's woes.

In a post-mortem of secularism, we are hand wringing over religion, not because we lost the key there, but because there seems to be light there. The deeper question is not these ideological debates; after all, differences are inevitable and can be managed. It is the growing tolerance for prejudice and the unleashing of a ferocious darkness. Let us name the beast for what it is and not hide behind the pieties of secularism or religion. Recovering the project will not mean a return to religion, but a confidence in the promise of a new freedom struggle to salvage individual dignity and rights, not continually play out resentments against the Other.

The writer is contributing editor, The Indian Express

MANDATE BETRAYED

Draft EIA notification dilutes environmental protections, is in denial of ecological crises

SHIBANI GHOSH

THE DRAFT ENVIRONMENTAL impact assessment (EIA) notification 2020 proposed by the Ministry of Environment, Forest and Climate Change has met with massive opposition. As the (hard-won) extended public consultation period draws to a close on August 11, the Ministry says it has received thousands of representations and appeals. This is not surprising. The stakes for the environment — and people — are staggeringly high. There is a crying need to overhaul the environmental clearance system. But the Ministry's proposal perpetuates the faults and weaknesses of the current EIA Notification 2006, dilutes it further in some respects, and fails to acknowledge the grave ecological crises that the country is facing. I discuss here five reasons for saying so.

First, the draft notification is legally untenable as it does not conform to its parent Act — the Environment (Protection) Act 1986. The Act requires the Centre to take measures to protect and improve the environment. By reducing the ambit and stringency of the scrutiny of impact assessment, the proposed regulatory processes will prove severely detrimental to the environment. For instance, maximum scrutiny is now reserved for fewer projects. Several categories of projects can instead apply for an "environment permission" — a simple application, no environment impact assessment required. These projects include inland waterways and hydroelectric power generation of up to 25 MW capacity, which can potentially destroy riverine and hill ecology.

> The proposed regularisation mechanism is based on a similar amnesty scheme which the Ministry introduced in 2017. The scheme's legality was sustained by the Madras High Court on the government's assurance that this was a one-time measure. The wholesale adoption of this 'one-time measure' into the regulatory scheme with no cut-off date, and the systematic grant of ex post facto clearances flies in the face of the precedents established by Supreme Court verdicts and is against the assurance given to the High Court.

Second, the proposed mechanism to deal with violations is illegal and worrying. The primary goal of the EIA Notification 2006 is to prevent, or take adequate precautionary measures to mitigate, adverse impacts of projects by requiring a clearance before construction/operations commence. But the proposed notification allows the government's assurance that this was a one-time measure. The wholesale adoption of this "one-time measure" into the regulatory scheme with no cut-off date and the systematic grant of ex post facto clearances flies in the face of the precedence established by Supreme Court verdicts and is against the assurance given to the High Court.

Third, there is no mention of climate change and related consideration. As India is a highly vulnerable country, it should be the government's priority to ensure that regulatory approvals do not make parts of the country more vulnerable or adversely impact the adaptive capabilities of communities. Also, decisions that will lock-in carbon-intensive infrastructure in the long term need to be scrutinised, particularly in light of India's commitments under the Paris Agreement process.

Fourth, the draft notification undermines procedural environmental rights. The public consultation processes currently in force under the EIA Notification 2006 are already unsatisfactory, but the draft notification curtails their scope further. It also reduces access to relevant information for project-affected persons. For instance, before a public hearing, the project proponent needs to submit the draft EIA report only in English and not in regional languages. Even this report will be made accessible for electronic inspection only on a written request, at a notified place and during office hours.

Fifth, there is no effort to put in place processes that will improve the quality of decision making, particularly of the expert appraisal committees which perform the critical function of independent evaluation of projects. The draft notification reduces the time for appraisal from 60 days under the 2006 notification to 45 days. It also curtails the discretion of the committees by disallowing them from seeking fresh studies, and sets a high bar for seeking additional studies from the project proponents.

I have highlighted some of the reasons why this draft notification must be withdrawn. The environment ministry needs to be clear about its role — its mandate is to create and sustain a regulatory framework that prevents the plunder of our natural resources, not actively accelerate the pace of environmental devastation.

Ghosh is fellow, Centre for Policy Research, and Advocate-on-Record, Supreme Court

AUGUST 11, 1980, FORTY YEARS AGO

MANIPUR STIR

THE STUDENT SPONSORS of the agitation on the "foreigners" issue in Manipur decided to resume their six-month-old agitation from August with a call for "Manipur bandh" on August 15, Independence Day. There will be no agitation on August 13, which is being observed as "Patriots Day". A decision to this effect was taken at an emergency meeting of the All-Manipur Students' Union and the All-Manipur Students Co-ordinating Committee after "brief" talks between representatives of the students and the government ended in "failure", a spokesman of the students' organisation said.

ASSAM TALKS

THE ALL ASSAM Students Union has decided to send a six-member delegation to participate in the preliminary round of talks set to begin on August 11. Meanwhile, the North-Eastern states Governor L P Singh urged AASU and Gana Sangram Parishad representatives not to make withdrawal of "repressive measures" by the government a precondition for starting negotiation. The Governor told representatives who met him here at Raj Bhavan that the "two issues cannot be connected". Singh explained the government stand to them and assured them that the Union Home Minister's assurances on the floor of the Parliament would be implemented in letter and spirit. AASU made it clear that it would not discuss the main issue of foreign nationals but the Parishad said they had decided not to participate in the talks in view of the government's failure to implement the agreement.

US HIJACK

EVENTS IN IRAN may warrant new initiatives by the US to secure the release of the 52 American hostages, Secretary of State Edmund Muskie said. He said the initiative basically involved contacts developed over the past months — "diplomatic, non-diplomatic — through our allies."

WHAT THE OTHERS SAY

"In the next few months, China should make the world, especially the Americans, feel the absurdity of playing the China card in election campaigns which is turning US national interests into partisan gains."

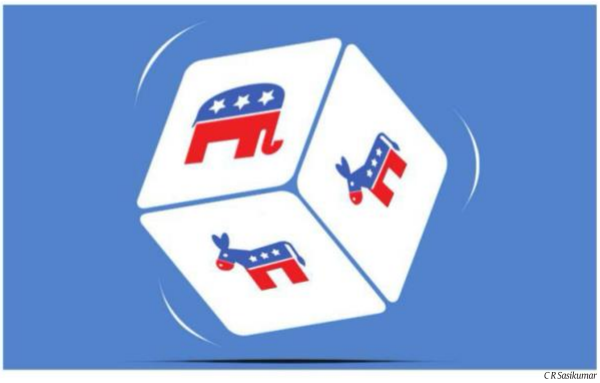
— GLOBAL TIMES, CHINA

Trump or Biden

Beijing and Moscow seem to disagree on their preferred candidate for US president. Delhi must brace for a measure of unpredictability in America's external orientation

RAJA MANDALA

BY C RAJA MOHAN



C R Sasikumar

CHINA AND RUSSIA tend to agree on most international issues these days. Thanks to the deepening strategic partnership built over the last two decades in opposition to the US's dominance, Moscow and Beijing have had one of the most stable great power relationships of the 21st century. But Beijing and Moscow seem to disagree on one important issue — the US presidential elections set to take place in the first week of November. While China's preference seems to be in favour of the presumptive nominee of the Democratic Party, Joe Biden, Russia would rather have US President Donald Trump retain the White House.

Given the global impact of US policies, everyone in the world has a preference in the American presidential race. With the nominating conventions of the two parties due in the next few days, picking the winner of the US elections is already a parlour game around the world.

For India too the stakes in the US relationship have dramatically risen amidst the huge downturn in its ties with China. With the Ladakh crisis showing no signs of a quick resolution, what happens between the US and China is of great policy relevance. New strains in the US-Russia relations and a Sino-US rapprochement under Biden will certainly complicate India's great power relations. For China and Russia, the preferred outcome is more than an academic exercise. Both their bilateral relations with the US are caught in American domestic political turbulence. Unlike most countries that simply learn to live with the outcome, Beijing and Moscow are accused of trying to influence it.

In a statement late last week on foreign interference in the American presidential elections, the US counter-intelligence chief, William Evanina, said that China was trying to undermine Donald Trump's re-election campaign and Russia was targeting his Democratic rival and former Vice President, Joe Biden. It is no secret that Beijing is outraged by the Trump administration's massive economic, political and ideological offensive against China in recent months. And Moscow has struggled to overcome the deeply-held conviction among the Democrats that Russian interference was instrumental in Trump's surprising victory in the 2016 elections.

That brings us to a strange political dynamic in Washington today. Trump has to deny the Democratic Party's charge that he is a "Russian puppet". And Biden has to fend off Republican accusations that he is "China Joe" or a shill for Beijing's interests. And thereby hangs a tale.

The Democrats have never accepted the verdict of 2016 and have sought to oust Trump using allegations of his Russian connection. The Trump campaign argues that Biden is the very symbol of what it sees as America's disastrous engagement with China over the last four decades.

While the world is familiar with Trump's policies, the current global interest is focused on what Biden might do if he wins the White House in November. The prospects of Biden's victory appear high at the moment. The Democratic Party's election platform carefully navigates the minefield created by Trump's full-blown attacks on China. Democrats say they don't want a "new Cold War" with China, but promise to be tough with Beijing on trade and human rights issues. At the same time, they also underline the importance of sustaining a productive engagement with China on global issues such as climate change. China, then, is right to calculate that a Biden victory might create political room to arrest the current escalation of bilateral tensions with the US and explore accommodation on the full range of contentious issues.

Russia has the opposite problem. Moscow has no reason to be happy with Trump, who has imposed quite a range of new sanctions on Russia; but they know Biden's win will make it even harder for the much-needed reset in bilateral relations. Democrats accuse Trump of treating Vladimir Putin as a "strategic partner" and "weakening" the Atlantic alliance with Europe. They promise to change that by joining "our European partners in standing up to a revanchist Russia". The party's platform does talk about engaging Russians on nuclear arms control, but the colour of its Russia brush is dark.

But, beneath the posturing of Trump and Biden, there are big issues in play. In both parties, there is a serious questioning of the many traditional principles of US foreign policy. On the Republican side, Trump himself has been the principal disruptor. He has trashed America's long-standing alliances, challenged the conventional wisdom on the virtues of economic globalisation, and underlined the futility of America's endless wars, especially in the Middle East.

While Democrats are united in their intense hatred for Trump, many of Trump's themes find resonance among Democrats. While the Democratic Party's foreign policy establishment would like to go back to the familiar internationalist activism, progressive factions in the party oppose Washington's appetite for costly interventionist wars. Radical sections of the Democrats want to cut US defence spending.

Many Democrats oppose free trade agreements that hurt American workers. They want tough labour and environmental standards in trade agreements. While Trump deemphasised the importance of human rights in the conduct of American foreign policy, Democrats want to put them at the heart of America's international engagement. It would be reasonable to expect that a diverse range of groups associated with the Democratic Party will be mobilising Washington's power to bear upon targets around the world.

India has dealt with this American script as part of its expanding engagement with the US over the last three decades. Today, there is bipartisan support from the Republicans and Democrats for a strong partnership with India. There are many strands — economic, political and security — that provide stability to India-US relations.

Four years ago, there was no dearth of sceptics who insisted that India-US relations would nosedive under Trump. Delhi, however, found ways to elevate the US partnership to higher levels in the Trump years.

This does not mean, India can take a Biden administration for granted. To be sure, Delhi is familiar with Biden, who served as Vice President for eight years under Barack Obama, and many of his potential choices for top policy positions.

Unlike Beijing and Moscow, Delhi has no incentive to pick sides between Trump and Biden. It can deal productively with both. But Delhi is conscious of the current unprecedented churn in US domestic politics and the breakdown of the internal consensus on foreign and economic policies. India should, therefore, be prepared for a measure of unpredictability in America's external orientation in the coming years.

Democrats say they don't want a 'new Cold War' with China, but promise to be tough with Beijing on trade and human rights issues. At the same time, they also underline the importance of sustaining a productive engagement with China on global issues such as climate change. China, then, is right to calculate that a Biden's victory might create political room to arrest the current escalation of bilateral tensions with the US and explore accommodation on the full range of contentious issues.

The writer is director, Institute of South Asian Studies, National University of Singapore and contributing editor on international affairs for The Indian Express

Tax and the crisis

Centre's reliance on indirect tax revenue, pro-rich policy, has deprived government of resources during COVID crisis

CHRISTOPHE JAFFRELOT AND UTSAV SHAH

The taxation policy of the Indian government has been problematic on two grounds. Not only has it been pro-rich (and anti-poor), but it has deprived the state of important fiscal resources — both particularly damaging in the context of the COVID crisis.

After abolishing the wealth tax in 2016, which was replaced by a 2 per cent surcharge on super-rich individuals (taxable income of over Rs 10 crore), the Narendra Modi government rolled back the increase in surcharge in 2019. More importantly, corporate taxes were slashed from 30 per cent to 22 per cent to attract foreign investors and induce Indian companies to invest.

In parallel, the reliance on indirect taxes has risen — a trend that started in the middle of the UPA years. As the Modi government has increasingly relied on hiking cesses and surcharges, the share of indirect taxes has increased by up to 50 per cent of the gross tax revenue in FY2019, as opposed to 43 per cent in FY2011. The combined share of customs and excise duties and value-added tax reached an all-time high of 10.5 per cent of GDP, with the previous high of 10.1 per cent in 1987-88. This high was following a three-year-long steady increase in customs or excise duty on commonly used goods, such as petroleum products, metals and sugar, automobiles and consumer durables. This is also when the service tax was hiked steadily to 18 per cent (under GST) from 12.4 per cent in 2014. This is troubling because indirect taxes often penalise the poor and the middle class more than the rich. Another example is the imposition of fresh cesses such as the Swachh Bharat cess and Krishi Kalyan cess in addition to GST. The permanent nature of these cesses has been widely opposed by the states and criticised by the CAG, who has pointed out the lack of transparency and incomplete reporting in accounts on the utilisation of amounts collected under cesses.

While indirect taxation is anti-poor, cuts in corporate tax that have resulted in a revenue loss of Rs 1.5 lakh crore have contributed to making the state poor. The timing of these tax cuts was puzzling as direct tax collections have shrunk by over 3.5 per cent with a meagre increase in indirect taxes for the period April-February of 2019-20. As indirect taxes have not made up for the loss in direct taxes, the fiscal deficit jumped beyond 4.5 per cent of GDP in 2019-20. This is one of the reasons why public spending on education and health has stagnated.

Cuts in corporate taxes, increased indirect tax revenues, decreased capital expenditure and practically no change in revenue expenditure on health and education show that India's taxation policy is more business-friendly than pro-poor, at a time when a supply-side oriented approach to the economy is counter-cyclical: What India needs is more demand.

Faced with increased expenditures due to the ongoing health emergency, states were forced to open liquor stores in May, only out of their desperate need to earn tax revenues from alcohol. This happened at the cost of relaxing the lockdown and weakening social distancing measures. The Centre made a similar move by increasing the duty on fuel by a record Rs 10 per litre on petrol when global crude prices have been falling — another move that was neither pro-poor nor favourable for demand but speaks of the government's increased dependency on indirect tax-based revenues.

To address the issue, a group of income tax officers suggested higher taxes on the super-rich, alongside a COVID relief cess of 4 per cent for all those earning above Rs 10 lakh. However, the report was rejected by the Centre and some of the officers were punished for their audacity.

But near-term solutions might need such measures at a time of crisis and after the number of super-rich has increased tremendously. Last year, the IIFL Wealth Hurun India Rich List showed that the fortune of the 953 richest Indian families was more than 26 per cent of the country's GDP. This means that a tax rate of 4 per cent on them would give the government the equivalent of 1 per cent of GDP – the amount of the first and second COVID relief packages.

Successful examples from Europe, where high tax rates on the wealthy have played a key role in ensuring a strong social security net for the poor, should encourage India to consider the rationale for a wealth tax. Higher taxes on the super-rich could be used for cash transfers and a fiscal stimulus, that, in India, at 1 per cent of GDP each, have been negligible so far. Though India surpassed its comparable neighbours on the lockdown stringency measures, it has still not released significant relief measures to compensate for the economic disruption caused by the lockdown. Countries like Bangladesh, Indonesia and Vietnam, despite having less stringent measures, have announced a substantial share of their GDP towards economic relief.

So far, the government has not fully used its fiscal instruments. Deferring tax payments, with continued late fees and penalties on filling extensions and slashing corporate taxes is not the appropriate approach towards reviving the economy. With the Centre's fiscal deficit reaching nearly 5 per cent of the GDP, and tax revenues likely to remain subdued over the next two years, the government needs to ensure a wealth tax, a COVID-19 cess on the super-rich and a surcharge on the super-rich for their income from listed equity shares are critical for mitigating the current situation. Such measures would also play a key role in reducing both income and social inequalities. COVID-19 may be a blessing in disguise if it allows India to reform its tax system in order to make it work towards inclusive growth and sustainable development rather than targeting only investment-led economic growth. After all, India's tax-GDP ratio was only 10.9 per cent in 2019, as against the OECD average of 34 per cent.

Jaffrelot is senior research fellow at CERI-Sciences Po/CNRS, Paris and professor of Indian Politics and Sociology at King's India Institute. Shah is a student of International Economic Policy at Sciences Po

370 myth gone, now reality

Kashmir's future is tied to India's, it is for all of us to decide what that will be

ABHINAV KUMAR

FOR HISTORIANS, AUGUST 5, 2019, will be a date of great significance. In a historic speech in Parliament, Home Minister Amit Shah announced a series of far-reaching changes regarding Jammu & Kashmir. In one fell swoop, the Centre swept aside all the constitutional, political and administrative arrangements that had defined the relationship of the erstwhile princely state with the Union of India. In an OpEd published in these columns a month before this announcement, I had made a case for the abrogation of Article 370.

The biggest concern for us was the possible public reaction on the streets of Srinagar and elsewhere in the Valley. The memories of the violent protest of 2016 summer were uppermost in our minds. It is a tribute to the planning and execution by our authorities, especially the leadership of all the security forces, that a year has gone by and we have had zero civilian casualties in large-scale direct clashes. The couple of civilian deaths have been in isolated mishaps. The streets of Srinagar have largely stayed free of stone-pelters, and more importantly, hospital wards have not overflowed with people with pellet injuries.

A word of appreciation is also required for the rank and file of Jammu & Kashmir Police and their senior leadership. There were many apprehensions about how they would react to these changes. They have laid to rest all such misgivings by their exemplary conduct and dedication to ensuring peace in the Valley. Not a week goes by when they do not reaffirm their commitment to the national cause in another episode of success against militants and by the stirring instances of supreme sacrifice by their officers and jawans. Along with the Indian Army and the central forces, the role of JKP has been critical in ensuring the peace post August 2019.

The check on cross-border infiltration and the prevention of large-scale terror strikes have been major achievements. Post-August 5, there has been constant pressure on Pak-based outfits by the ISI to do something, preferably something big and spectacular. The counter-insurgency grid in the Valley remains robust, and the last few months have seen many successful operations against hardcore militants. With every passing day, the desperation of the militants and their backers in Pakistan to do something to avenge the abrogation of Article 370 is bound to grow.

While the removal of Article 370 is a necessary condition for achieving the full integration of J&K with the rest of India, it is by no means a sufficient condition. To do so requires dismantling the ecosystem that sustained this militancy for three decades. The most critical element in this ecosystem is the mosque-madrasa network that has radicalised generations of Kashmiri youth and given a jihadi character to the separatist movement. Many of these mosques host hard-line preachers from UP and Bihar, who have spread a strand of jihadi Islam that was not a part of the cultural fabric of the Valley. Perhaps the government could consider taking over these madrasas and converting them into Kendriya Vidyalayas. This would hit the jihadi virus at its very source, improve access to education in the Valley and provide jobs.

Another important source of separatist sentiment has been the irrational fear of migration and dominance by outsiders. The recent changes in domicile laws sparked a wave of anxiety. However, as the experience of other Indian states suggests, these fears are largely baseless. No state of India has experienced a significant change in its demography or culture. Writing in these pages a few days ago, a prominent Kashmiri politician talked about listening to the Valley and spoke of fears of demographic change through the use of the domicile law. The hypocrisy of his assertion is simply breathtaking. It is the Valley that carried out ethnic cleansing of Kashmiri Pandits. It is the Valley which has consistently adopted policies to promote demographic changes in Jammu and Ladakh to ensure perpetual Kashmiri domination of the politics and society of J&K. The shoe indeed pinches a lot in the other foot.

The civil society in Kashmir needs to undergo a serious transformation too. For too long they have fed themselves a narrative of victimhood, laced with a generous dose of xenophobia towards the rest of India. The rabidly anti-Indian elements must be identified, isolated and prosecuted to the full extent of the law. Teachers, doctors, lawyers and civil servants who preach secession while drawing a salary from the public exchequer must not be allowed to carry on playing this double game. A limited purge of the worst offenders from the public payroll is imperative if the pro-India sentiment is to gather hold in the Valley. The media in Srinagar is ethnically homogeneous to an extent that would be unthinkable anywhere else in the country. This has seriously distorted the narrative. Some corrective measures need to be taken, especially by national media platforms.

On the governance side, the panchayat experiment, restarted in 2018, deserves the fullest support. There is no substitute for grass roots delivery if we are to build a credible pro-India narrative. The calibrated restoration of communication facilities is also worth considering. In case any area turns restive, restrictions can be reimposed.

Till August 5, 2019, Article 370 was seen as a non-negotiable foundation stone of any credible Kashmir policy. That myth has been conclusively exploded. In 69 years of its existence, all Article 370 had done was to encourage a dangerous fantasy in Kashmir. For better or for worse, Kashmir's future is tied to India. It is up to all of us to decide by our collective actions, what that future is going to be.

The writer is a serving IPS officer. Views are personal

LETTERS TO THE EDITOR

PAST AND PRESENT

THIS REFERS TO the editorial, 'A deaf ear to Tagore' (IE, August 10). It is troubling that historical traditions are being undermined at a time the country seems to be reinvigorating some of its past practices. The decision to cancel the Basanta Utsav and Poush Mela at Visva-Bharati has to be seen in the light of majoritarian nationalism. The tradition is symbolic of Tagore's emphasis on "universal humanism" and developing national self-consciousness. We must remember that we have to stay united but this unity is not meant to be against our own people.

Divya Singla, *Patiala*

ECONOMIC REALITIES

This refers to the article 'The new consumer', (IE, August 10). There seems to be a consensus among epidemiologists and public health experts that the coronavirus it is here to stay and humanity will be living with the pandemic well into 2021 and beyond. The post-COVID consumption pattern would have to factor in this new reality. The older ways of doing business will no longer be sustainable. The annual sojourn of influential leaders from across the world at Davos could be advanced to deliberate on the great reset of the global economy. There is a call, as well as a pressing need, for a new Bretton Woods-type global consensus on the economy in order to rejig the global order by aligning it with the new realities.

Sudip Kumar Dey, *Kolkata*

BEIRUT LESSONS

This refers to the editorial, 'Beirut in the dark' (IE, August 10). The ammonium nitrate explosion tragedy in Beirut was avoidable. It also has lessons for India where chemicals, even the most toxic of them, are used in both the formal and informal sectors. A few fundamental steps to prevent a chemical catastrophe that need to be taken include, "identification of the most explosive chemicals still in use, putting in a place a protocol for handling them and disseminating this protocol widely.

S S Paul, *Nadia*

Business Standard
Volume XXIV Number 248
MUMBAI | TUESDAY, 11 AUGUST 2020

Epicentre of Covid

India needs a national action plan

India has now become the epicentre of Covid-19, with the maximum number of daily cases happening in this country, and there are no signs of the curve flattening, unlike in most other countries. The data shows that the number of new cases is now slowing both in the US and Brazil. India has crossed the 2 million mark in terms of the number of cases and is now recording more than 60,000 daily infections. The data also suggests that things are unlikely to improve in the near term. Although India has increased the capacity to test about 700,000 samples a day, it is not enough. The positivity rate continues to remain high, which indicates that the problem is only going to get bigger. Even as the load has moderated in large cities, Covid is now spreading in other parts of the country, including rural areas. It would be more difficult to contain the virus in rural areas because of the lack of medical and state capacity.

Given the magnitude of the problem, it is strange that no one in the government is saying anything about it, as though the problem does not exist or has not grown to proportions previously unimagined. There are no daily briefings, no announcement of lengthening "doubling rates", offering hope. Further, it is not clear as to who is in charge of handling the situation. It was the health minister initially, with significant interventions from the prime minister and his office. Then it was the home minister, especially when things were slipping out of control in Delhi. There is no clarity on who is in charge now. The collective intervention significantly improved things in the city-state. However, it is not clear if India has a national plan to deal with the Covid crisis, or states have now been left to handle things on their own.

It is important to note that apart from being a health crisis, surging infection is coming in the way of economic revival because of local lockdowns and disrupted supply chains. The incoming high-frequency data suggests that economic recovery is faltering. The resumption of business tracked by Nomura through an index, for instance, shows that activity is stuck at about 30 percentage points below the pre-pandemic level, after witnessing a sharp recovery in May and June. The continued spread of the virus will only increase complications on the economic front. Sustained localised lockdown or, perhaps, an increase in its frequency and spread would further restrict movement and affect both demand and supply. A deeper than expected contraction will only make things worse. India, therefore, needs a broader strategy to deal with the evolving situation, and the Centre will need to take the lead. It will need to coordinate with states where cases are rising. The issue of finances also needs to be addressed, as states, being on the front line of fighting the pandemic, would need resources. Thus, all possible instruments to bridge the revenue shortfall should be discussed transparently, so that states have better clarity. Overall, since a possible vaccine is still some distance away, India needs renewed focus on containing the pandemic.

The post-Brexit world

More uncertainty is the only certainty

The deadline to extend Brexit negotiations expired in June this year, so it is now certain that the United Kingdom (UK) will leave the European Union on December 31. This is the only certainty that economic actors in this four-year drama can hope for at this time as the region struggles to come to terms with the Covid-19-induced economic slump. Negotiations on a new trade deal appear stalled over such issues as fishing rights, workers' rights, and checks on cargo. If no deal is reached when the deadline lapses, a basic set of rules under the World Trade Organization will come into operation, involving tariffs, inspections, and checks at European and British ports. Many Brexiteers regard this outcome as a desirable one because it would free the UK from what they consider onerous and costly standards (on safety, environment, and so on) and leave it free to negotiate more advantageous (and theoretically less burdensome) deals with other countries, though little headway seems to have been made in talks with the US or Canada. Although this flexible regulatory future sounds attractive, it masks the practical complexities for manufacturers in terms of following different standards for different markets, requiring tweaks on the assembly line and the need to maintain multiple sets of documents. Indeed, the EU, which, understandably, has no stake in easing the divorce settlement, is demanding "level playing field obligations" in the trade agreement that would tie the UK to EU law and regulations.

The complexity of this position will be most evident in Ireland, the only country with which the UK shares a land border. British Prime Minister Boris Johnson's post-Brexit arrangements draw a line in the Irish Sea but Northern Ireland will be designated UK customs territory. Goods entering Northern Ireland from the rest of the UK will be treated in two ways. Those deemed "at risk" of being moved to the Republic of Ireland would be subject to EU tariffs. The tariff payment can be claimed back if it can be shown the goods were consumed in Northern Ireland, a structure that condemns businesses trading between these territories to the sort of bureaucratic rigmarole with which all businesses in India are familiar. Equally, EU negotiators have pronounced unacceptable British proposals to give the City of London, one of the world's largest international financial centres, access to the European financial markets. This apart, arguments over a £39-billion divorce bill are yet to be settled even as the UK refused to contribute to the region's Covid-19 bailout package.

All of these issues had proven tough to solve four years ago; given the mounting bad will on both sides, it is unlikely that they will be sorted by November, the last possible month for EU leaders to sign off on a final agreement. These are realities that Indian IT, financial services, and manufacturing companies that had set base in the UK to serve the European market must brace for in the coming year. Many multinationals have already set new bases in Europe — Panasonic, Sony, and Tesla are among nearly 170 manufacturing firms relocating to Germany and the Netherlands even as financial services firms are shifting to Frankfurt and Luxembourg. This exodus may offer the most telling indicator of the shape of the post-Brexit world.

Ramayana and Mahabharata in distant lands

The humanistic spirit embedded in Indian epics is better understood in Southeast Asia

ILLUSTRATION: BINAY SINHA

SHYAM SARAN

In his speech at the Ram Mandir Bhoomi Pujan at Ayodhya on August 5, Prime Minister Narendra Modi referred to the popularity of the Ramayana in distant lands, in particular, the Muslim majority countries of Indonesia and Malaysia and in other countries of South and Southeast Asia. The irony was perhaps lost on him that it was on the site of the criminal demolition of a mosque that a temple to celebrate Ram was being built. Would these countries with adherents of Islam really consider the building of a temple to Ram an occasion to celebrate with the people of Hindu faith in India?

The continued popularity of the Ramayana in distant lands professing different faiths is testimony to the universal and eternal moral and ethical dilemma faced by humanity, which the Indian epics, the Ramayana and the Mahabharata, depict with such poetic eloquence. They do this through a narrative that is instantly familiar to human beings irrespective of their religious, political or philosophical persuasion. To trap Ram in a golden and glittering edifice is to shrink his universal appeal as a moral hero—a Maryada Mahapurusha— to a local deity who needs a bricks and mortar dwelling to convey his transcendent message. If the message needs such resplendent props, it loses all spiritual content. This the prime minister seemed unaware of even as he sought to celebrate the appeal of Ram in different cultures.

I was fortunate to have served as India's ambassador to Indonesia and witnessed on several occasions, the incredible performances of the Ramayana and episodes from the Mahabharata in Jogjakarta and in Bali. The Ramayana was performed on a stage constructed next to the famous 9th century Prambanan temple in Jogjakarta dedicated to Trimurti or Brahma, Vishnu and Shiva. I was given the privilege of visiting the green room tent where the artistes performing the Ramayana dance drama were rehearsing their roles and getting their colourful costumes ready. As I was being introduced to some of the main performers, I became conscious that I was intruding during namaaz time as several artistes were doing their prostrations and invoking the blessings of Allah.

I was finally taken to a small enclosure where the star of the evening, Hanuman, was getting ready. I stopped at the entrance when I saw that the artiste, a middle aged man, dressed in sarong and jacket, was sitting still in front of a large portrait of Lord Hanuman, depicted as flying against a blue sky, carrying Mount Dronagiri with its life giving Sanjivani *buti*, all the way to Sri Lanka, to revive the dying Lakshamana. The artiste seemed to be deep in reverential meditation. I think he became conscious of his visitors because he concluded his meditation, bowed deeply to Hanuman, and then got up and greeted me with a smile. As we exchanged pleasantries, I asked him why he was meditating in front of the image of Lord Hanuman. His answer was simple and direct. He was imploring Hanuman to enter into his being, infuse him with his spirit so that in all humility he could do justice to his performance. He saw no contradiction as a Muslim, in his ready and uninhibited embrace of what, to more limited minds, may appear as apostasy.

What we in India fail to appreciate is that the awareness of a higher spirituality, the humanistic spirit embedded in the delightful stories of our epics seem better understood and celebrated in these distant lands than our own. In Indonesia but also during my assignments in Myanmar and Nepal, what struck me was not that India was the source of civilisational advance of our South and Southeast Asian neighbours, but rather the inspirational spark which led to the profuse cultural efflorescence in these lands, moulding and transforming what they gathered from generations of Indian traders, priests and missionaries and curious travellers. This they achieved through their own local genius, unique aesthetic sense and above all imagination. India should take pride in this legacy but with a sense of humility. The history of the Ramayana and Mahabharata in distant lands holds a lesson for us. It is not by confining Ram or to the narrow rituals of a religious faith that we should celebrate the universal appeal of India's spiritual and cultural legacy but by learning about its immeasurable and intangible value from its unself-conscious and humble embrace by the Indonesian Hanuman.

Prime Minister Modi sought to equate the movement for the building of the Ram Mandir as a struggle no less significant as the struggle for India's independence. This is to demean both Ram and the independence struggle. When he said that Ram had always resided in the hearts of his *bhakhts*, he was right. But then why does Ram need a man-made temple to reside in? Some may say that the temple connects Indians to their past. That it gives them a sense of continuity and identity. But Indians have multiple identities not only in terms of faith, but also in terms of ethnic, linguistic and cultural particularities. What the struggle for independence did was to transcend these particularities and bind us together in a shared sense of citizenship. Gandhi's Ram Rajya was an embodiment of this idea of India. A Ram Rajya which needs a glorious Ram temple as its symbol is a very limiting conception of India. To put those who struggled for India's freedom under the leadership of Mahatma Gandhi on the same pedestal as those who engaged in a criminal act of demolishing the Babri Masjid is to bring the independence movement to the level of a violent and vulgar brawl. History is being rewritten for sure. But the intent is to lead us to a very different tryst with destiny that seemed possible at the midnight hour of August 14/15 in 1947. A very diminished idea of India awaits us as these ominous events play out in all their ugly manifestations.

The writer is a former foreign secretary and a senior fellow, CPR

Why is everyone buying gold?

RUCHIR SHARMA

Gold bugs — investors perpetually bullish on gold — have long been seen as a paranoid fringe of the financial world, holding the shiny asset as a hedge against a disaster they always think is near. But lately, they appear to be on to something. This year, gold is the best performing traditional asset in the world. Its price just topped $2,000 an ounce for the first time. From serious investors to newly minted day traders, everyone is talking up its virtues.

A recent survey of 1,000 people found that one in six Americans bought gold or other precious metals in the last three months, and about one in four were seriously thinking about it. On Robinhood, the popular online trading platform, the number of users holding two of its largest gold funds has tripled since January.

It seems we're all gold bugs now.

It's tempting to attribute the vogue for gold to a desire for a safe haven during the pandemic — a kind of financial panic reflex that will release as the crisis abates. But the gold mania is also driven by a hunch that the easy money pouring out of central banks and government stimulus programmes could trigger inflation, which makes it a more worrisome economic omen.

Serious investors have in the past dismissed gold as an asset that for the most part just sits there yielding nothing. In many ways, gold is like oil or iron ore or any other commodity people dig out of the ground. Most commodity prices rise and fall in cycles, gaining nothing in value over time.

Owing to its image as a stable store of value when others are shaky, gold has held up better than other commodities, but it still hasn't been a dynamic investment. Over the past century, the price of gold, adjusted for inflation, has risen by an average of just 1.1 per cent a year, compared with 6.5 per cent for US stocks. Even the 10-year US Treasury bond, considered the most risk free asset in the world, has produced higher annual returns.

Gold has shone mainly in hard luck moments. It surged amid the stagflation of the 1970s, rising more than sevenfold over the course of that decade to peak at $850 in early 1980. It surged again after the global financial crisis of 2008, peaking at $1,900 in 2011, but then it slid backward over much of the subsequent decade.

In 2019, after the Federal Reserve signalled that it was suspending plans to push interest rates higher, gold mounted another ascent. Historically, gold has done best when interest rates fall below the rate of inflation. As the inflation-adjusted return on bonds turns negative, investors feel comfortable owning gold as a store of value, even if it yields nothing.

That is what has been happening over the past few months. With bond yields near zero in the United States and negative in Europe and Japan, investors have driven up the price of gold more than 30 per cent this year after a gain of nearly 20 per cent last year. In recent weeks, that surge has been turbocharged by growing expectations that all the money governments are pumping into their economies will reignite inflation.

In addition, with valuations of stocks well above their long-term average, gold appears relatively cheap. And with central banks printing money hand over fist, some see gold as a stable alternative to the dollar and other major currencies. (Gold is also pulling up the price of its less glamorous relative, silver, which is rising from an unusually depressed level because people see it as a cheaper play on the same trends.)

For gold to keep rallying, expectations of inflation will have to keep rising. Anticipating higher inflation has been a losing bet for a large part of the last four decades, but the odds appear better now. Most nations are doling out record levels of stimulus at a time when forces like globalisation, which kept inflation in check, are weakening. Normally, if inflation looms, central banks can be relied on to raise interest rates, but Fed officials have signalled that they aren't "thinking about raising rates," and do not expect to move before 2022.

This is not a healthy turn. When interest rates are this low, money is virtually free, encouraging speculation in assets of no value to society, beyond what the seller can get for them. Gold is the prime example just now. The wider risk is that this kind of purely financial speculation undermines the economy by sucking capital away from industries that will put it to more productive use.

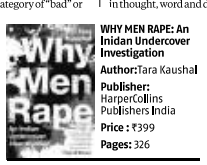
As an investment, gold has none of the virtues I admire, like innovation and dynamism, and many of the vices I despise, including the "rent seeking" mind-set typical of extractive industries. But these times aren't normal. Unless a vaccine emerges quickly, central banks stop printing money frantically and real interest rates start rising again, it is difficult not to be a gold bug now.

The writer is the chief global strategist at Morgan Stanley Investment Management, the author, most recently, of "The Ten Rules of Successful Nations" *. ©2020 The New York Times News Service*

The culture of gender violence

BOOK REVIEW

ROOHI NARULA



WHY MEN RAPE: An Indian Undercover Investigation
Author: Tara Kaushal
Publisher: HarperCollins Publishers India
Price : ₹399
Pages: 326

Change begins at home and so does rape culture. Tara Kaushal's *Why Men Rape: An Indian Undercover Investigation* takes readers on a harrowing journey into the homes of nine "undetected" or "un-convicted" rapists to get to the bottom of the question — why do men, specifically Indian men, rape? For those who can get past the disconcerting title, this book can be a worthwhile journey.

With a somewhat DIY approach to research, Ms Kaushal, a writer and media consultant, has combined elements from anthropological observational research and sociological interview-based research to test her hypothesis: "Though all sorts of men rape, their reasons for doing so are different within different social milieus." Disguised as an NRI film researcher and armed with pepper spray, a WhatsApp safety group, and local emergency contact, she spent one week each with nine rapists from every corner of the country. She asked each subject 250 questions and analysed them using a scale "comprising religion and caste, the historicity and occupation of the family, education, language, culture, money and location." Unfortunately, Ms Kaushal neglects to specify the questions in the book, omitting an integral component of her methodology. It is important to note that Ms Kaushal informs her readers of certain caveats in the methodology, a major one being "excluding the rape of men and other genders, and rape by women." It is only within this limited scope that the book explores the issue of sexual violence in India.

Ms Kaushal's journey into the homes of these men reveals disturbing realities and, ironically, ends up humanising them. The discourse surrounding sexual violence usually focuses on humanising survivors (which she also discusses) and demonising perpetrators of rape. Ms Kaushal critiques such an outlook. As she writes, "[w]hen we call these men 'evil,' 'crazy', 'mad', we situate them as abnormal and irredeemable. This absolves society of any responsibility for their creation, thus allowing us to remain blinkered to the need for social introspection and systemic change." Instead, she situates these men as aggregates of our society rather than anomalies. Take, for example, one of her subjects called "The Doctor," a pediatric spinal surgeon who raped his 12-year-old patient, rendering her paraplegic. The Doctor continues to practice medicine and have easy access to vulnerable children. He describes himself as a "family man" and his wife claims, "kids in our family just love him!"

Ms Kaushal's ability to create seamless connections between her research findings and society is the book's biggest strength. For example, she speaks about puritanical Victorian ideas of sex, co-opted by Brahmanism and used to vilify divergent sex practices in tribes such as the Muria of Madhya Pradesh. Ms Kaushal highlights the prevalence of Brahmanical ideas of sex among all her subjects which influences their tendency to commit acts of sexual violence. For example, most of her subjects situate sex outside of marriage as bad (specifically for women). This not only constructs the category of "bad" or sexually promiscuous women deserving of rape but also puts any sexual activities outside of marriage — consensual, non-consensual, paid sex — in the same category. She elucidates how this mentality perpetuates the understanding that men are allowed to do anything within the bounds of marriage, including rape.

Despite her commitment to egalitarianism, Ms Kaushal often reifies structures of elitism in her quest to understand motivations to rape across different social milieus. For instance, while analysing the rise in stranger gang rapes in New Delhi, she posits the "clash of cultures" as one of the major contributors. She writes: "Migrants are unable to distinguish the public roles of city women from that of rural women.... these migrants bring ideas and norms of what is accepted and acceptable in the hinterland to the urbanised modern world — where patriarchy and misogyny in thought, word and deed collide with women's empowerment."

Although backed by a research report and even a sub-inspector source who "ascribes some rapes to the poverty and *majboori* [helplessness] of migrants", the reader is left to wonder whether this rhetoric would add to an already anti-migrant discourse, even more pervasive now with the pandemic-induced economic crisis?

In this particular analysis, Ms Kaushal also locates women empowerment as an urban phenomenon, contributing to *Savarna* (caste Hindu) discourse that renders rural feminist resistance invisible. Such a limitation is even more dangerous given that the audience for the book, whom Ms Kaushal addresses as "VIP[s]s in this conversation," are primarily from the upper echelons of Indian society. The book, thus, self-admittedly has a limited scope and remains a work by and for privileged Indians.

Ms Kaushal also discloses her lived experiences with sexual violence. From the standpoint of feminist epistemology, she implicates herself in the larger discussion on sexual violence, thus forming a more intimate connection with readers. Yet, the rest of the conclusion is rather centrist for an otherwise "rah-rah" feminist book. Ms Kaushal posits patriarchy as "one of the primary reasons for rape," and urges readers to embrace "egalitarianism, cultural liberalism and feminism, and love" to pave the way for a better world.

All in all, the book is a thought-provoking journey and a good starting point for the privileged feminist or ally trying to make their way through the maze of gender politics in India. It will be impossible for "VIP" readers to turn the last page without a renewed commitment to a gender violence-free India.

Hospitals afire

Health-care centres lack fire safety because governments pay lip service to regulation

The shocking deaths of at least 19 people in special facilities for COVID-19 management in Vijayawada and Ahmedabad have exposed the deep rot in regulatory processes for institutional and commercial building safety. While 11 died in the Andhra Pradesh incident, where a hotel had been taken over by a private hospital to run a COVID-19 care centre, nine patients perished in the blaze in a Gujarat hospital intensive care unit (ICU). These ghastly incidents which claimed the lives of those who were getting treatment or recovering from an infection in supposedly secure conditions lay bare the lack of preparedness among States to manage the expanding pandemic, and hasty contracting procedures. In a familiar pattern, civic and fire authorities who were expected to monitor the safety of such buildings have sought to pin responsibility for the carnage on the owners of the properties. They are being held responsible for failure to obtain a no objection certificate or, in the case of the hotel-turned-COVID-19 care centre, carrying out electrical upgrades for safety. This is clearly untenable, as the Supreme Court of India observed about a decade ago in the Uphaar cinema fire tragedy case in Delhi, pulling up authorities including the Union Home Ministry for abdicating responsibility and passing the buck on to the management of the institution. In the Ahmedabad ICU blaze, patients expected the institution to offer the highest levels of safety, but suffered as it was ill-equipped to fight a fire.

Safety regulation of buildings used for health-care delivery is a subset of the overall need to regulate hospitals, and States should use the recent deadly fires as the occasion to launch much-delayed reform. In the absence of safety systems, many died of fire and smoke inhalation, while those who survived had nothing but luck to count on. This situation cannot be allowed to continue. The National Building Code of India, with additional fire safety provisions for hospitals, is the basis for hospital accreditation systems, but these should be made mandatory and enforced in all States. If smoke alarms and sprinkler systems, along with local fire-fighting aids are available, loss of life can be eliminated. All patients should also be covered by substantial life insurance. Evacuation systems for ICU patients need to be part of the building design. Often, hospital buildings are regularised for unapproved constructions by State governments acting thoughtlessly. Schemes introduced to regularise building violations are clearly anti-social in character. The many fires in institutional buildings and their terrible toll should lead to a full inspection of all such facilities for safety, with civil society keeping up the pressure on governments to act.

Misplaced priorities

Aggressive testing and contact tracing alone can contain the virus spread

The extended lockdown might have slowed down the spread of the novel coronavirus in India in the beginning, but in the absence of large-scale testing, tracing and isolation of the infected and their contacts, the virus has been spreading with renewed vitality. If it took 168 days to reach one million cases on July 16, it took just 21 days to double to two million on August 6; deaths too increased from 25,599 on July 16 to 41,641 on August 6. In recent weeks, the number of daily new cases reported across India has been increasing. Similarly, the number of deaths per day has also been rising; it crossed the 1,000 mark on August 9. Till mid-July, the daily fresh cases reported were well under 35,000 but increased to over 50,000 since July 29 and have been staying above 60,000 since August 6. Since August 3, India has been reporting the most cases in the world, surpassing the U.S. That the seven-day average test positivity rate is 9.4% underscores the large number of infected people and the compulsion to increase the tests carried out each day. The low daily testing numbers are also reflected in low tests (over 14,000) per million population. After Delhi, Karnataka and Andhra Pradesh too have increased the number of rapid antigen tests done each day. The low sensitivity of this test might help in reducing the test positivity rate, as seen in Delhi, but may not actually help in containment. Particularly so when there is an over-reliance on rapid antigen tests and negative results from them are not validated with the molecular test. If the ICMR shares only the data on the number of tests done each day, neither the States nor the Health Ministry provide a break-up of different tests and the number of positive results through each method, making the data not very useful.

Though Kerala has reported only over 35,500 cases so far, the compulsion to ramp up testing cannot be overemphasised, particularly in districts where community transmission has been documented. Andhra Pradesh (over 2,35,525) and Karnataka (1,78,087), which initially appeared to have contained the spread, have the third and fourth highest number of cases, respectively, in India. Aggressive testing through fever clinics in Chennai helped halve the number of daily fresh cases to 1,100-1,200, and further reduction became possible in the last few days. The renewed commitment to trace contacts, including non-family members, in Chennai since July has helped in knocking down the numbers to below 1,000. After putting up a good show initially, contact tracing has been nearly absent since mid-May in some States, one of the reasons why cases spiked and spread. After the mega cities, a spike is now seen in the smaller cities in Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra. The daily confirmed cases and deaths in Gujarat and Telangana during the pandemic give an impression that the States' priority is to manage the data. This does not augur well for India.

Isolating China, as proposition and the reality

Countries like India must note that despite its belligerence, China is far from being quarantined given its economic clout

M.K. NARAYANAN

The latest round of talks, August 2, between the Military Commanders of India and China, did not produce any breakthrough, and the situation along the Line of Actual Control (LAC) in the Ladakh sector thus remains essentially unchanged. All that is evident is that China has indicated a willingness to resile from occupying territory beyond its 1960 Claim line. A return to the *status quo ante* prior to May this year, is nowhere in sight.

Meanwhile, a war of words between India and China has broken out. India's External Affairs Minister has promulgated that "the state of the border and the future of our ties (with China) cannot be separated. That is the reality." China's riposte was to reiterate that their troops "were on its side of the traditional customary boundary line". This was followed, thereafter, by China wading into and criticising what is essentially India's internal matter, *viz.*, the changes effected to the status of Jammu and Kashmir in August last year.

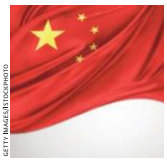
China-U.S. ties and rhetoric

In the meantime, relations between the United States and China continue to deteriorate. Talk of a new realignment of forces taking place, with the U.S. and China leading different camps, is very much in the air. After years of cooperating with one another, the U.S. and China are currently at the stage of confrontation, with both seeking allies to join their camps. The rhetoric has begun to resemble the Cold War era and both sides are even willing to display their military muscle. This places several countries, especially in Asia, in a difficult position as most of them are loathe to take sides – especially with a belligerent China as neighbour.

The contrast between the U.S. and China could hardly be greater. While the U.S. may not necessarily be the first choice for many countries of Asia and the Asia-Pacific region, in the case of China it is clearly more feared than loved. No one in Asia (Pakistan is perhaps an exception) nurses any doubts about China's 'imperialist ambitions', or about Chinese President Xi Jinping's authoritarian world view. Beijing's virtual takeover of Hong Kong, paying scant regard to the concept of 'one country two systems', has only confirmed what had long been known about China's intentions under Mr. Xi. Well before this, the region had been a witness to China's rampant land grab in the South China Sea. In the 1970s, China grabbed control over the Paracel Islands from Vietnam. In the 1990s, it occupied Mischief Reef in the Spratly Islands, an area of the South China Sea that the Philippines had always considered its territory. In the 21st Century, China has continued with the same tactics of taking control over territories belonging to smaller neighbours; one which attracted international attention was the Scarborough Shoal confrontation in 2012, when Chinese Marine Surveillance Ships came into direct confrontation with the Philippine Navy.

Aggressive and expansionist

In March-April this year, while the rest of the world was wrestling with the COVID-19 pandemic, China further stepped up its aggressive actions, renaming almost 80 geographical features in the region as an index of Chinese sovereignty. Complaints galore also exist about China's expansionist attitudes beyond the South China Sea; Taiwan, Japan, Vietnam, Indonesia and South Korea have all complained about China's menacing postures in their vicinity. China's favourite approach, it would seem, has been unilateralism rather than compromise, when dealing with its smaller neighbours. Implicitly also, it reflects the unwritten code of the Belt and Road Initiative and the Maritime Silk



GETTY IMAGES/ISTOCKPHOTO

Road.

Notwithstanding all this, China is far from being quarantined. Hardly any country in Asia is willing to openly confront China, and side with the U.S. Many countries, especially those in East Asia, are unwilling to be seen taking sides at this juncture, their explanation for this being that China was always known to be over-protective of the South China Sea, considering it a natural shield against possible hostile intervention by outside forces inimical to it. Neither the presence of U.S. aircraft carriers in the South China Sea, the presence of China's missile sites in recently reclaimed areas, or the wariness that most Association of Southeast Asian Nations display *vis-à-vis* China, has been enough to make countries in the region openly side with the U.S. and against China. Meanwhile, China is determined to press home its advantage, irrespective of international law or regional concerns.

In a strong grip

What is especially disconcerting is that despite a series of diktats from Washington to restrict economic and other relations with China, the United Kingdom's decision to end reliance on Chinese imports and call off its Huawei 5G project, and growing anti-China sentiments heard across Europe – all of which make for good copy – China remains unfazed. China seems confident that its stranglehold on the global economy ensures that it does not face any real challenge. It would be wise for India to recognise this.

It is equally necessary to realise how fickle some of these countries can be when it comes to economic issues. Australia is a prime example. The latter is a member of the Quad (the U.S., Japan, Australia and India), that is widely seen as an anti-China coalition. Nevertheless, at a recent meeting in Washington between U.S. Secretary of State Michael R. Pompeo, the U.S. Secretary of Defence Mark Esper, the Australian Foreign Minister and the Australian Defence Minister, Australia made it clear that China is important for Australia, that it would not do anything contrary to its interests, and a strong economic engagement was an essential link in the Australia-China relationship.

Likewise, the U.K.'s Secretary of State for Foreign and Commonwealth Affairs, Dominic Raab, recently stated in its Parliament, that the U.K. wants a positive relationship with China, would work with China, and that there was enormous scope for positive constructive engagement.

It is thus more than evident that few nations across the world are willing to risk China's ire because of strong economic ties that have been forged over the years. Economic ties are proving way stronger than military and strategic ones. Even in Asia, while a majority of ASEAN countries have grave concerns about China's predatory tactics, with the ASEAN having become one of China's biggest trading partners, it adopts a default position. *viz.*, "not to take sides".

India and the neighbourhood

At this time, when the dice should actually have been loaded against China, it is India that is finding many of its traditional friends being less than helpful. While India's relations with Pakistan had nowhere to go but downhill, India's present stand-off with China has provided Pakistan with yet another opportunity to fish in troubled waters, including the production of a "fake map" of Pakistan, which includes parts of Indian territory such as Siachen, Jammu and Kashmir and Gujarat.

India's relations with Nepal, meanwhile, have hit a road block. Relations have soured in recent months, and Nepal has gone to the extent of publishing new maps which show the 'Kalapani area' as a part of Nepal. In Sri Lanka, the return of the Rajapaksas to power after the recent elections does not augur too well for India-Sri Lanka relations. It is, however, the strain in India-Bangladesh relations (notwithstanding the warm relationship that exists between Bangladesh Prime Minister Sheikh Hasina and Indian leaders), that is a real cause for concern, since it can provide a beachhead against Chinese activities in the region.

Beijing moves ahead

China is, meanwhile, busy 'stirring the pot' elsewhere in South Asia. In July, Chinese Foreign Minister Wang Yi organised a virtual meeting of the Foreign Ministers of Nepal, Afghanistan and Pakistan,. Here, he proposed taking forward an economic corridor plan with Nepal, styled as the Trans-Himalayan Multi-Dimensional Connectivity Network, and expanding the China-Pakistan Economic Corridor (CPEC) to Afghanistan, touting benefits of new economic corridors on the lines of the CPEC.

China has also made headway in Iran to an extent, again at India's expense. Iran and China are reported to be currently pursuing an economic and security partnership that would involve massive Chinese investments in energy and other sectors in Iran, in exchange for China receiving regular supplies of Iranian oil for the next 25 years. China has also dexterously positioned itself to circumvent India's monopoly over the Chabahar Port, by providing a munificent aid package for the Chabahar-Afghanistan Rail link, thereby undercutting India's offer of aid and assistance for the rail project.

Geo-balancing is not happening to China's disadvantage. This lesson must be well understood, when countries like India plan their future strategy.

M.K. Narayanan is a former National Security Adviser and a former Governor of West Bengal

The main bricks to use in India's steel frame

Compassion and honesty are what must guide successful entrants into the still fiercely competitive civil service

R.K. RAGHAVAN

When the Union Public Service Commission (UPSC) announces the results of the Civil Services Main examination every year and the list of successful candidates, amidst all the fanfare it is legitimate for us to reflect on a few fundamental questions: Are the right type of men and women being inducted into the higher bureaucracy? Is there any mid-career review of their performance, so that the misfits and the dishonest are weeded out? Both these questions are extremely relevant if we want to see an upgradation in the quality of service to the poor.

Still a major draw

The UPSC has, without doubt, a strenuous protocol. The process is clinical and as objective as possible. There is reason to believe (unlike many of its State counterparts) the UPSC is an honest organisation which allows no latitude to the few venal elements that may occasionally be inadvertently drawn into the various stages of the selection process. Evaluating civil service recruits for their intelligence and integrity is a difficult exercise if one takes into account that many attributes go into the fabric of a credible and performing civil service. Also, we are too diverse a nation, with a huge population of rising expectations to construct a one-size-fits-all reform formula.

What is heartening is that several lakh Indian youth take the examination every year. Its popularity continues to grow despite the many hurdles which include a preliminary weeding out test, possibly because the challenges of a position in public service are still attractive and incentives in the form of salary and allowances are enlarging. I am happy that there are many success stories of children from the hitherto neglected sections of society making the grade. All this despite the cynicism with which many citizens now view a public servant, high and low. The competition is intense and spectacular. Only about 900 candidates, that is less than 4% of those who appear for the preliminary examination, ultimately get appointed.

The change now

When my generation made a bid for selection in the 1960s, we were just about 15,000 to 20,000 candidates in the race for the same number of openings. There was also no preliminary examination which now cruelly eliminates a majority of applicants. The current stiff process of selection induces many of us in my age group to believe that most of us would not have passed muster under the present scheme of the examination. In the UPSC list released a few days ago, 304 candidates were from the General category and 78 from the Economically Weaker Sections. Other Backward Classes (251), Scheduled Castes (129) and Scheduled Tribes (67) constituted the rest of the group of successful candidates. Women among these were about 150, one of them bagging the third rank among all appointees. Undoubtedly, this phenomenon has brought about a

GETTY IMAGES/ISTOCKPHOTO

new attitude and drive to achieve, which were not fully visible earlier. As usual there are a number of engineers who have made the grade. Two candidates from Tamil Nadu were visually challenged. Nothing can touch us more. Success stories of disadvantaged members of society such as these candidates should help to dilute the age-old prejudice against those who are challenged. The enormous care taken by successive governments to make our higher civil services reflect social diversity is commendable. This is as it should be in a country where despite all the gory happenings of violence in some regions, there is a desire to push forward to empower the poor and weaker sections.

On the ground

However, can we rest content with the incremental progress that we have achieved towards transforming the image of the civil service? Not at all. My reservation is mainly on account of the two major charges levelled against the higher civil services, especially the Indian Administrative Service and the Indian Police Service (IPS) wherever we go within the country. These are to do with the glaring insensitivity to the poor citizen and the greed that still afflicts a segment of the civil service.

The District Collector and the District Superintendent of Police are the two powerful and visible symbols of the administration. There are 739 districts in India and as many Collectors and SPs. Although the penchant of many State governments to create more small districts escalates administrative expenses, tiny districts make officials more easily available to the common man in distress, who looks up to the officialdom for assistance almost on a daily basis. If a Collector and an SP are inaccessible (as is the case in most of our districts) it shows the whole administration in a bad light. There are a few young officers who are different from the majority and put their heart and soul into the task of alleviating the miseries of the poor. It is this band of officers who should somehow be enlarged and quickly. The sheer workload of a Collector and SP may prevent them from finding time to interact with every citizen. But this reality does not convince the citizen who feels squarely aggrieved that only the rich and not the poor can get things done in post-Independence India.

This unfortunate situation is exacerbated by the fact that officials at the lower levels of the bureaucracy are either insensitive or demand illegal gratification to provide a service which is the fundamental right of every citizen. In spite of admirable reforms, major and tiny, brought about by the present central government, the common belief is that very few things get done at the bottom of the pyramid of government without greasing somebody's palm. As someone put it, in many countries in the West, a citizen will have to offer a bribe to persuade a civil servant to omit doing something which he is legally required to do. In India, one will have to resort to bribing a public servant to compel him to do something which he is enjoined by law to do. Nothing can be a more damaging commentary on the state of our civil service.

State of the police

I am particularly concerned about the situation that prevails in our police stations. There are more than 15,000 of them in the country. A number of them have no doubt distinguished themselves with their readiness to serve the not-so literate and the poor. Sadly, a majority still have a blemished record of ill-treating the poor. As a result, a police station has become an institution that is shunned by the law-abiding citizen. This is where I would like to see a qualitative improvement in policing which has to be ushered in by the new IPS recruits.

Wherever they see injustice or violence against unsuspecting citizens, it will be for them to rise in protest and instil sense in their subordinate ranks as well as their supervisors. There is a real danger of the image of the Indian Police diminishing further if the incoming young officers just mark their time and do not put their foot down when it comes to unethical practices. We have a large core of enlightened senior IPS officers who can mould the character of the new entrants. If they do not play this desperately needed role, they will have betrayed the confidence that the father of the civil service, Sardar Vallabhai Patel, reposed in the IPS and the IAS.

R.K. Raghavan is a former CBI Director and a former High Commissioner of India to Cyprus

LETTERS TO THE EDITOR

Letters emailed to letters@thehindu.co.in must carry the full postal address and the full name or the name with initials.

To read more letters online, scan the QR code

MP's experience

If DMK MP Kanimozhi was the recipient of 'linguistic chauvinism' at Chennai airport, one can imagine the plight of ordinary mortals such as us (Page 1. "CISF to probe 'Are you Indian?' taunt at MP", August 10). The language issue is being raised to ridiculous levels all because of an atmosphere being created by the government of the day reducing everything to the level of a 'one nation, one…' slogan. Why do people forget we live in a multi-lingual country and that English is still a key language?

V. PADMANABHAN,
Bengaluru

■ An off-the-cuff remark has been blown out of proportion. I have seen people with knowledge of only Tamil finding trouble in filling up withdrawal/pay-in slips in post offices for example because the forms are in Hindi and English. Perhaps the MP would do well to institutionalise changes in the formats of all central government forms, especially in post offices, banks and the LIC, which most rural people use. I also wish Ms. Kanimozhi reads what a former Vice-Chancellor, E. Balagurusamy, has said on the National Education Policy (Tamil Nadu, "Two language policy affecting rural children: Balagurusamy", August 10). Narrow parochialism has no place in today's wired world.

A.V. NARAYANAN,
Tiruchi, Tamil Nadu

Safety first and always

The deadly explosion in Beirut is another instance of conscience keepers of safety, abdicating their remit. Military ammunition depots, inflammable gas and fuel stations in the energy sector and nuclear facilities all exclusively rely on meticulous standard operating procedure manuals. The presence of 740 tonnes of ammonium nitrate at Chennai port is now suddenly remembered, and some is even missing. Universally we seem to be short of inspired administrators with a grip on their jobs. It is such drift that keeps perpetuating mishaps.

R. NARAYANAN,
Navi Mumbai

Making up for shortfalls in GST collection

The GST (Compensation to States) Act assumes a 14% growth target for States, which is unrealistic

M.R. MADHAVAN

"According to the Act, an additional cess would be imposed on certain items such as pan masala and aerated water and and this cess would be used to pay compensation." A pan masala shop in Adilabad, Telangana. • B. JOTHI RAMALINGAM

Two weeks ago, the Central government announced that it has released the Goods and Services Tax (GST) compensation dues to States for 2019-20. The total compensation was ₹1,65,302 crore while the compensation cess fund collected was ₹95,444 crore. The shortfall was made up by excess collections in earlier years as well as some of the balance of inter-State GST from earlier years. This raises the question of how the compensation will be made in the current year.

Background of the cess

The GST compensation cess has an interesting background. GST subsumed several taxes, including those which were the preserve of the States, such as sales tax, and therefore required an amendment to the Constitution of India. As the amendment affected the Seventh Schedule (which delineates the jurisdiction of the Centre and the States), it required ratification by the legislatures of half the States. That is, this Constitution Amendment needed wide political support.

Prior to GST, States exporting goods to other States collected a tax. GST is a destination-based tax, i.e., the State where the goods are sold receive the tax. This implies that manufacturing States would lose out while consuming States would benefit.

In order to convince manufacturing States to agree to GST, a compensation formula was created. The Constitution Amendment Bill, introduced in 2014, and passed by the Lok Sabha, had two provisions. First, it provided for a 1% tax on inter-State trade, which would be assigned to the supplying State. Second, it made provisions for a law to be passed by Parliament to provide compensation to States for loss of revenue for a period up to five years. However, a Select Committee of the Rajya Sabha recommended that the compensation be guaranteed for a period of five years. This was accepted when the Bill was passed by the Rajya Sabha, and subsequently by the Lok Sabha. As tax receipts of manufacturing States had been protected by the guarantee, the provision of the 1% tax on inter-State trade was dropped.

The cess fund

The modalities of the compensation cess were specified by the GST (Compensation to States) Act, 2017. This Act assumed that the GST revenue of each State would grow at 14% every year, from the amount collected in 2015-16, through all taxes subsumed by the GST. A State that had collected tax less than this amount in any year would be compensated for the shortfall. The amount would be paid every two months based on provisional accounts, and adjusted every year after the State's accounts were audited by the Comptroller and Auditor General. This scheme is valid for five years, i.e., till June 2022.

A compensation cess fund was created from which States would be paid for any shortfall. An additional cess would be imposed on certain items and this cess would be used to pay compensation. The items are pan masala, cigarettes and tobacco products, aerated water, caffeinated beverages, coal and certain passenger motor vehicles. The Act states that the cess collected and "such other amounts as may be recommended by the [GST] Council" would be credited to the fund.

In the first two years of this scheme, the cess collected exceeded the shortfall of States. In the third year, 2019-20, the fund fell significantly short of the requirement. This was on account of slowdown in tax collections as the economy slowed down coupled with negative growth in sectors such as motor vehicles which contributed to the cess fund.

Issue and possible resolution

Most economists expect negative real GDP growth this year, and nominal GDP to be close to last year's level. As indirect taxes are levied on the nominal value of transactions, this is likely to result in significant shortfall for States from the assured tax collection. A key source of the problem is that the 2017 Act guaranteed a tax growth rate of 14%, which is unachievable this year. Whereas no one could have foreseen the pandemic and its impact on the economy, the 14% target was too ambitious to start with. Given the government's inflation target at 4%, this implied a real GDP growth plus tax buoyancy of 9%. That this was an unrealistic target is evident from the shortfall last financial year, when the lockdown was for less than two weeks.

As we have discussed above, the Central government is constitutionally bound to compensate States for loss of revenue for five years. The assumed rate of growth of a State's GST revenue is set at 14% by Parliament through the 2017 Act. There are several possible solutions to this issue.

First, the Constitution could be amended to reduce the period of guarantee to three years (thus ending June 2020). This would be difficult to do as most States would be reluctant to agree to this proposal. It could also be seen as going back on the promise made to States when they agreed to subsume their taxes into the GST.

Second, the Central government could fund this shortfall from its own revenue. States would be happy with this proposal. However, the Centre's finances are stretched due to shortfall in its own tax collection combined with extra expenditure to manage the health and economic crisis. It may not be in a position to give further support to States.

Third, the Centre could borrow on behalf of the cess fund. The tenure of the cess could be extended beyond five years until the cess collected is sufficient to pay off this debt and interest on it.

Fourth, the Centre could convince States that the 14% growth target was always unrealistic. The target should have been linked to nominal GDP growth. If the Centre can negotiate with States through the GST Council to reset the assured tax level, it could then bring in a Bill in Parliament to amend the 2017 Act.

The Constitution makes it obligatory for the Centre to make up for shortfall by the States. The cess collected will not be sufficient for this purpose. The GST Council, which is a constitutional body with representation of the Centre and all the States, should find a practical solution.

M.R. Madhavan is President of PRS Legislative Research, New Delhi

The whys of death by suicide

Society extends compassion and empathy on the one hand, but discriminates, bullies and segregates on the other

VANDANA GOPIKUMAR & SANJEEV JAIN

It is not surprising that the unfortunate death by suicide of a young actor has stirred the nation, and with good reason. Sadly, the harranguing of disconcerted individuals on television and ugly exchanges on social media have evoked strong reactions in some of us who live and work with persons with experiences of distress and mental ill health. If foul play was indeed the reason behind the death of Sushant Singh Rajput, then justice must be served. However, the manner in which we see events unravel today are unsavoury and detrimental to many. Flippant associations between weakness and depression, erraticism and bipolar disorder are shame-inducing and counterproductive to the larger narrative of seeking help, ensuring justice and promoting social cohesion and well-being. More so, when these opinions are emphatically asserted by 'celebrities'.

What lies beneath?

Death by suicide is a public health challenge, a cause for social concern and a philosophical question. It is tethered, amongst other talking points, to existentialism, meaning-making and sociality, and is a cause of moral and social panic. The sociologist Emile Durkheim attributed 'anomie', or feelings of alienation and social isolation, to a breakdown in social equilibrium, which he theorised increased the propensity for one to die by suicide. Thomas Joiner's framework that places the experience of thwarted belongingness, perceived burdensomeness combined with an "acquired capability" to self-harm, owing to a range of factors that include childhood trauma, resonates with us.

Around the same time as Rajput's passing, a young client, Ms. Lakshmi (de-identified), who was accessing mental health services, also died by suicide. As she lay in hospital, she hoped she would be saved. She said she had taken a "drastic" step that she now regretted, as she felt "frustrated" by frequent interpersonal conflicts with family members and defeated for not feeling "understood" for her mood swings. She had dreams of marriage, gainful employment and stability. The scramble to make ends meet, to find meaning in work and life, to experience comfort and kinship in social relationships – our pursuits vary. The cards that we are dealt with in life influence, and perhaps even limit, our choices largely. Undoubtedly, those who face systemic oppression, social disadvantage and discrimination have it harder, leading them to feel dispensable even.

Ethnographies of suicides explore intersections of historical perspectives, psychology, sociology, psychiatry, tradition, regional cultures, altruism, rituals, alienation, social decline and defeat, etc. So, what lies beneath? The conflict between individualism and a sense of community? The favouring of particular archetypes? Or loneliness, which, as Fay Bound Alberti discovers, is often shrouded "in shame" for reasons that relate "historical connections between loneliness and personal failing"? In June, an elderly couple died by suicide fearing an uncertain future, consequences of physical ill health and economic constraints, experiencing loneliness as their kin distanced themselves.

The danger of 'othering' people

Professor Lars Anderson defines loneliness as "an enduring condition of emotional distress that arises when a person feels estranged from, misunderstood, or rejected by others and/ or lacks appropriate social partners, for desired activities, particularly activities that provide a sense of social integration and opportunities for emotional intimacy". Therefore, we argue that beneath the regrettable suicide of many is an emotional disposition that triggers feelings of alienation, loneliness, hopelessness, frustration and worthlessness. In a country of 1.3 billion, people can still be lonely, assailed by identity politics; gender, caste, class or status-based privilege or disprivilege; ascribed notions of appropriate versus inappropriate behaviour; and a dominant narrative that is ableist, neurotypical, pro-positivity, antigrey and dissociated from the experience of mental flux. This desolation may be further accentuated when faced with ethical and social dilemmas. 'Othering' such persons, as a result, may pressure them into conforming, resulting in the loss of authenticity. Losing the ability to know oneself and act by one's values, and suffering the inability to find and sustain connections that matter, takes away from the joy of a universal human existence.

Both state and society need a rethink and are culpable if losses around fearless self-expression, creative pursuits, individualistic mind journeys and diverse social relationships are all opposed for a singular narrative.

Our society extends compassion and empathy on the one hand, but discriminates, bullies and segregates on the other. Perhaps, humility could guide us through a collective soul-searching exercise. Let's think twice before we treat anyone who doesn't fit into a well-packaged treasure as marginal.

Vandana Gopikumar is Co-Founder, The Banyan, and a minority mental health researcher; Sanjeev Jain is Professor, Department of Psychiatry, National Institute of Mental Health and Neurosciences

The WHO's relevance is fading

It has been reduced to a coordinating body, beholden to the interests of rich member states

MEENAKSHI SHARMA

COVID-19 has infected more than 19 million people, claimed over 0.7 million lives and devastated economies. As the pandemic transcends geopolitical boundaries, one is forced to ruminate on a counterfactual with a series of timely global health interventions by the World Health Organization (WHO) duly supported by governments. An early warning and timely policy measures by the WHO would have forewarned countries and set their preparatory efforts in motion for mounting a decisive response strategy.

Slow response

With regional offices in six geographical regions and country offices across 150 countries, the WHO was expected to play the dual role of a think tank and oversee global responses to public health emergencies. It was reported that the earliest COVID-19 positive case in China was reported in November, but China informed the WHO about the disease only in January. With the WHO country representative stationed in Beijing, it is unlikely that widespread transmission went unnoticed.

Then, even though confirmed cases were reported from Japan, South Korea, Taiwan and the U.S. in January, the WHO continued to downplay the severity of the virus. It took some inexplicable decisions and actions such as declaring the pandemic as a public health emergency of international concern only on January 30 and ignoring Taiwan's hints of human-to-human transmission and requests on sharing "relevant information". Further, the WHO went on to praise China's response to the pandemic.

WHO was severely criticised for its poor handling of the Ebola outbreak in 2014 as well. Incontrovertibly, the relevance of the health agency has been fading. The WHO has been reduced to a coordinating body, beholden to the interests of rich member states. Its functional efficiency has been disadvantaged with organisational lethargy, absence of decisive leadership, bureaucratic indolence, underfunded programmes, and inability to evolve to meet the needs of the 21st century.

Director General Tedros Adhanom has been criticised for his leadership abilities during this pandemic. In contrast, Gro Harlem Brundtland, former Director General of the WHO (1998-2003), spearheaded the global health response with a host of significant policy decisions. She focused on projecting WHO as one entity and publicly reproached the Chinese leadership for its response to the 2003 SARS pandemic. The timely containment of SARS despite an unfavourable response from China bears the stamp of her decisive leadership.

Relying on rich member states

WHO is funded through assessed contributions made by the member states and voluntary contributions from member states and private donors. While assessed contributions can be spent as per the organisation's priorities approved at the World Health Assembly, the irregular voluntary contributions are allocated in consultation with the donors. While voluntary contributions accounted for nearly 80% of the budget in 2018-19, assessed contributions merely constituted 17% of the total budgetary support. The challenges owing to constrained finances encumber autonomy in decision-making by favouring a donor-driven agenda.

While the WHO has failed in arresting the pandemic, governments across the globe are equally responsible for their inept handling and ill-preparedness. However, that does not vindicate WHO's tardiness in handling the crisis. Many countries, especially in Africa and Asia, rely predominantly on the WHO for enforcing policy decisions governing public health. Political leanings and financial compulsions of WHO cannot betray that trust. The burden of their expectations must weigh heavily on every policy decision taken by the global health agency, for when the WHO fails, many innocent lives are lost.

Meenakshi Sharma is a development consultant

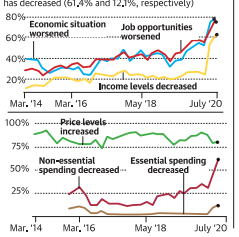
DATA POINT

Negative vibes

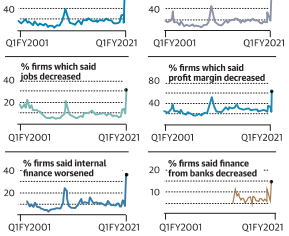
Both producers and consumers reported a pessimistic outlook on the state of the economy. Manufacturing firms have faced a difficult situation in Q1FY2021, with a high number of companies reporting low production levels and decreased orders. A record number of urban consumers reported low levels of confidence in July 2020 about the general economic situation, employment opportunities and income levels.

By **The Hindu Data Team**

PESSIMISTIC CONSUMERS | The graphs depict the responses to the RBI's Consumer Confidence Survey conducted between July 1 and 12, 2020, in 13 major Indian cities. About 78% of urban consumers said in July that the economic situation has worsened . About 78% said the jobs situation has worsened . Nearly 63% said their income levels have decreased . All three figures were the highest at least since March 2014, when the new format of the survey was launched. About 80% of consumers said the prices of commodities have gone up . A record % of respondents said their spending on both essential and non-essential commodities has decreased (61.4% and 12.1%, respectively)



PRODUCERS SUFFER | The graphs depict the responses of 802 companies in the Industrial Outlook Survey of the manufacturing sector conducted between April and June, FY2021 (Q1) by the RBI. Companies gave the lowest assessment of their business in Q1FY2021, since at least 2001. In Q1FY2021, close to 72% firms said their production decreased, 64% said their order books decreased, 32.5% said the employment situation worsened, 62% said their profit margin worsened, 38% said the availability of finance from internal accruals worsened and 16% said availability of finance from banks decreased. All figures in Q1FY21 were record highs



The Hindu.

FROM THE ARCHIVES

FIFTY YEARS AGO AUGUST 11, 1970

Press boycotts Congress (R) meeting

Owing to the "callous" treatment meted out to pressmen, they decided to-day [August 10] to boycott the coverage of the proceedings of the Central Parliamentary Board of the Ruling Congress [New Delhi] which met under the presidentship of Mr. Jagjivan Ram. More than 30 pressmen were waiting at the Prime Minister's residence, as the meeting was being held at the adjoining house. The security guards refused to permit pressmen to enter the premises even after the meeting was over on the plea that they had no orders for permitting them to enter the meeting place. And by the time pressmen got access to the place where the meeting was held, all the leaders had left. Thereupon, the pressmen decided not to publish news of the meeting in any of the daily papers.

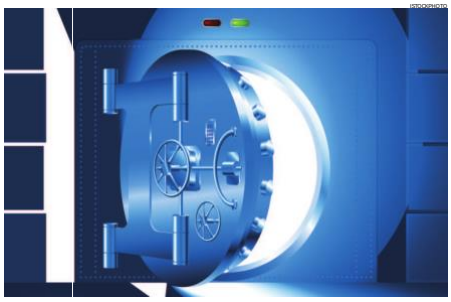
A HUNDRED YEARS AGO AUGUST 11, 1920

Honouring Mr. Tilak

(From an editorial)

The telegram we published regarding the action of the Collector of Dharwar towards the Dharwar Municipality for closing its schools in honour of Tilak's memory, will have aroused feelings of bitter resentment in the country. Persecuted all his life by Anglo-Indians on the one hand and his own countrymen on the other, Mr. Tilak is now beyond the foul breath of calumny; and words of hatred, now expressed, would only recoil with double effect on the speakers. We do not know if there are many among the official hierarchy who would echo the insulting epithets used by this Collector who is base enough to call Mr. Tilak a "notorious unrepentant criminal." Whether the enemies be many or few, the persistence of hatred after death is, we take it, an unconscious tribute, mixed with an amount of chagrin, to the success of the ideals and methods associated with Mr. Tilak's revered name. The bureaucracy and Anglo-India do not as yet seem to repent the treatment they gave him; they but add to their own notoriety, for he passed away in the height of his success. The people of Dharwar, we are informed, are greatly incensed at the Collector's outrageous demand on the Municipal council. They have indeed, good reason, for not only is one of India's great sons insulted but the people's power as embodied in Municipal government is challenged.

OUR VIEW



Let us grant individuals ownership of their data

An Indian proposal of mandatory data-sharing appears to have alarmed US Big Tech firms. Rather than the State aiming access, let people own what they upload—and decide its fate

The question of who owns and controls data gathered by online tools is getting fraught with tension. Some of the world's most sophisticated technology companies, such as Amazon, Facebook and Google, have built their vast empires on data collected from users that can either directly be put to profitable use or fed to algorithms that churn out valuable information. The massive user bases of these firms in India could explain their reported resistance to the idea of mandatory data-sharing in the country, a proposal made recently by a government-appointed panel. If the committee had its way, the non-personal or anonymized data of people would be treated as a public resource, with private enterprises required by law to turn their databases over if called upon by a regulator to do so. This "sharing" could be for a civic authority to use in enhancing the delivery of public services, or for transfer to a start-up in need of basic market information for its business. The idea here would be to neutralize the advantage that data monopolies wield and foster online competition by opening up vast vaults of information to all. In countries that see private ownership as the crux of capitalism, this would be seen as state appropriation of property. Therefore, it should not surprise us that American lobby groups like the US Chamber of Commerce and US-India Business Council appear to have taken up the issue. Reports suggest that they are preparing to protest data-sharing.

Data is different from other resources in that sharing it does not deprive anyone of anything other than exclusive access to it. In Big Tech's view, it seems, that is bad enough. The chief argument against the idea is that it would amount to nationalization of what modern businesses thrive on, reducing the incentive of private players to innovate and perform well. The well-intended commandeering of inputs could go wrong, especially if it concentrates power in state hands, as communist countries found. Yet, it is also evident that a laissez faire approach has resulted in the emergence of powerful companies armed with data drawn from people at large. That this data is vulnerable to abuse is one problem. That rivals cannot hope to acquire such bits and bytes, at least in the winner-takes-all field of social networks, is another. For data defined as personal, India has a data protection bill underway that aims to prevent its misuse and regulate data gatherers. If passed, it would create an even more potent centralized data authority. In all, India could soon be saddled with a multiplicity of data rules, possibly even a jumble of red tape.

Before any legal framework is put in place, though, it would be best to forge a consensus on how data should be treated. For this, we must resort to first principles. The core tension between the State and Big Tech over ownership can be resolved by adopting the principle that neither the State nor a corporate gatherer can own anyone's data. All data must belong to the individual who supplies it. Thus empowered, the person uploading an app or website with data should determine its fate: whether it should be available free to a public agency, for instance, or, if it will be used for purposes beyond the service sought, what compensation to ask for in lieu of its usage or resale rights. Such a regime will also let people share a modest slice of the money being made off big data. Let's be fair—above all, to our citizens.

MY VIEW | BARE TALK

RBI should let business houses set up and run banks in India

Financial stability risks would be outweighed by the likely gains of revitalizing our banking sector

V. ANANTHA NAGESWARAN AND T.V. MOHANDAS PAI
are, respectively, member of the Economic Advisory Council to the Prime Minister and chairman, Aarin Capital Partners.

In recent weeks, the Reserve Bank of India (RBI) has been in the news for several reasons. A former governor and deputy governor released their books blaming the government, for the most part, for the problems that India's financial sector faces. They absolved the institution they served of any responsibility in the matter. Then, RBI's monetary policy committee (MPC) kept interest rates unchanged after a meeting that was probably the current panel's last, as its four-year term draws to an end.

Hence, there were analyses of the trajectory of inflation in India over the past four years, with the implicit suggestion that correlation between RBI's inflation-targeting regime and inflation performance is causation. The central bank announced a one-time debt restructuring. It also enhanced the loan-to-value ratio of gold loans to 90% after the price of gold reached a historic high. Finally and importantly, RBI appears to have shut the doors on India's corporate houses wanting to set up banks, pointing to governance challenges.

If newspaper reports are to be believed, RBI wanted the right to scrutinize the financials of corporate sponsors on an ongoing basis. This has effectively shut the door on the possibility of large corporations setting up banks. This is an overkill. In 1969, when banks were nationalized, private sector banks had a poor track record on governance and credit disbursement. Those banks had largely served as financing vehicles for the industrial houses that promoted them. Further, the recent experience of Punjab and Maharashtra Cooperative Bank having diverted a huge proportion of credit to a favoured borrower is fresh in people's minds. Yes Bank had to be rescued. These failures could be attributed to the limited capital and limitless ambition of founders. That said, it is inconceivable that reputed houses like the Tatas, Birlas, Reliance, Mahindra, Bajaj and Murugappa, to name some, would risk their reputation, considering the huge size of their other investments.

It is no secret that policy decisions invariably involve trade-offs. Credit diffusion in India remains weak. We are not advocating that it should rise to the levels seen in certain advanced countries or in China, for that could create other problems for the economy. Suffice to say that India has a low ratio of credit to gross domestic product. Two, frauds in government-owned banks have been rising much faster than their assets (see table 3.5 of RBI's *Financial Stability Report*, December 2019) and profits. In any case, public sector banks had negative returns on equity and assets in 2017-18 and 2018-19. In fact, one of the reasons for the failure of demonetization to unearth unaccounted wealth was the nexus between banks and clients. This problem was concentrated in public sector banks.

Today, the norms on related party transactions are clear and RBI has tools to monitor and prevent this from becoming a menace. The central bank has already prescribed stiff minimum capital requirements for new banks to be licensed. It has also set governance standards for such institutions and for the probity of their managements. Further, as bank regulator, it has the right to tighten conditions for the grant of a licence. Finally, the licensing authority can reject applications.

Encouraging private capital to enter the banking sector is also an indirect way of reducing the share of government-owned banks in the system, and along with it, reducing the scope for them to run up bad assets every few years, resulting in the diversion of taxpayer money towards recapitalization and away from the development needs of the economy. More importantly, a capital-intensive industry needs players who can invest large amounts of capital. Government finances are not meant to provide capital for commercial enterprises. It only encourages political and executive interference in commercial decision-making, giving rise to conflicts of interest that central bank regulations can do little about, whereas inviting private capital addresses the problem.

This is what has happened in other sectors like steel, telecom and aviation. The private sector was allowed to grow and compete with the public sector. Consumers have benefited, huge investments have come in, prices have come down, and conflicts of government ownership have been eliminated substantially. The country may be missing a big opportunity by not letting some of its well-performing business groups set up banks.

In a recent interview, former RBI deputy governor Viral Acharya said that corporate houses routinely delayed payments to banks. The system has no in-built incentives nor disincentives for orderly debtor behaviour. He called for public disclosure of even a day's delay in payments to banks for publicly listed companies, as is done in the case of bonds and marketable debt. It may not be too far-fetched to suggest that industrial houses getting a taste of their own medicine would over time lead to better repayment habits among businesses.

We agree that the financial sector cannot be a "free for all" zone of activity. Regulatory policies should facilitate the growth of the sector and ensure its stability. But, developing economies that focus exclusively on either of the two goals will enjoy neither.

These are the authors' personal views

10 YEARS AGO

JUST A THOUGHT

"In God we trust. All others must bring data."

W. EDWARDS DEMING

MY VIEW | MUSING MACRO

The pitfalls of random control tests for policy purposes

AJIT RANADE

is an economist and a senior fellow at The Takshashila Institution, an independent centre for research and education in public policy.

A recent paper published by the National Bureau of Economic Research of Boston created a huge controversy. Titled *Enforcing Payment for Water and Sanitization Services in Nairobi's Slums*, it has four co-authors, some of whom are senior researchers with the World Bank. It tackles a fairly typical question faced by policymakers. How does one ensure that public utility services like water, sewerage and electricity achieve full coverage in a sustainable way? At least some user charges have to be collected to cover the cost of delivery. If a large portion of the bills remain unpaid, it can lead to a fiscal crisis, or to rationing of the services, defeating the very purpose of achieving universal coverage. The paper explored what should be the right policy to ensure higher bill collection. Should it involve "soft" persuasion, face-to-face meetings with stakeholders, or a "hard" system of disconnection on non-payment? Researchers designed an experiment that was conducted in the poor neighbourhoods of Nairobi. They divided the sample households into those who would be offered the "soft" option and those who would face "hard" disconnection. The experiment ran for nine months. There were thus slum dwellers who faced water disconnection nine months longer than the other group.

This caused a furore over the ethics of such a randomized control test (RCT) among economists and social activists. How can you justify a test that cuts off the water supply of a control group?

Was there informed consent of participation in this experiment? Can the poor and vulnerable be put to such "inhuman" tests? What about the impact on child health? The research found that "hard disconnection" worked better than "soft" persuasion in the recovery of bills. More troubling was the finding that the political "cost" of hard disconnection is low. In many developing countries, one of the reasons that water and electricity disconnections are not done is the fear of community protests and a political backlash. Often, there is political interference too, as evident in the case of India's electricity distribution companies.

This research, supported by the World Bank, helped confirm, at least in the Nairobi context, that governments need not be fearful of losing political support. Did the RCT not implicitly provide support to the ruling government? What if the government had otherwise repressive policies in other spheres? Does such an alignment with World Bank researchers help consolidate the legitimacy of repressive regimes?

> Such trials may have hogged the limelight in recent times but they're often neither ethical nor useful

This RCT-based research paper and its implied policy advice has highlighted the many pitfalls of using such experiments in deciding crucial policy designs. RCTs were in the limelight recently after a Nobel Prize was awarded to three of the methodology's pioneers, Abhijit Banerjee, Esther Duflo and Michael Kremer. Their work has been quite rigorous, and they have always been careful not to exaggerate the validity of their findings. But not every RCT researcher is like that. Indeed, an RCT "epidemic" is now widespread, infecting donor agencies like the World Bank and Bill & Melinda Gates Foundation, and inevitably influencing policy in the developing world. The dangers of misapplication cannot be overemphasized. In another well-known paper published in 2013 in the *Quarterly Journal of Economics*, its authors had used the RCT technique for determining how to reduce corruption in the grant of driving licences in India. In their experiment, one control group was "encouraged" to get their licences by paying bribes. The ethics of those fraudulently licensed driver on Indian roads boggles the mind, and we can't blame the researchers for the malaise.

But the methodology is on ethically slippery ground.

No wonder that critics of RCT are increasing. One of the most prominent ones is Nobel laureate Angus Deaton, who has himself used the RCT methodology on occasion. In his essay in a forthcoming book titled *Randomized Controlled Trials in the Field of Development: A Critical Perspective*, he writes that although RCTs have been used for a long time, they have no unique advantage or disadvantage over other empirical methods. They do not simplify inference, nor can they establish causality. He makes as a telling remark about the ethics of RCTs done by Western economists on the poor in India. These RCTs were vetted by American institutional review boards, but would not have been allowed on American subjects. In Deaton's words, "There is an uncomfortable parallel here with the debates about pharmaceutical companies testing drugs in Africa."

The RCT movement gained acceptance and popularity because of the notion that policy should be evidence-based. There was an increasing distrust of deductive reasoning or theoretical models. That also explains the current fad of throwing big data at any policy puzzle. No prior model needed. RCT also claims to be *a priori* agnostic, and only seeks empirical confirmation through an experiment. But just because it works in the context of asylum in Nairobi, it does not mean that it can be applied everywhere else. And, as Deaton points out, even the limited applicability in the context of one experiment can be questioned. Even if RCTs are useful, that does not mean other modes of study, such as surveys, observations, questionnaires and trial and error, are irrelevant. Not to forget the importance of good old common sense, logic and reasoning. Indeed, an RCT often just ends up confirming common sense.

THEIR VIEW

New Delhi and Canberra should join forces against Beijing's aims

India and Australia could align strategic efforts to foil China's attempts at throwing its weight around the eastern hemisphere

HARSH V. PANT & VINAY KAURA
are, respectively, director of studies at Observer Research Foundation, and assistant professor at Sardar Patel University of Police, Security and Criminal Justice

REUTERS

Indian and Chinese troops have remained locked in a tense standoff along the Line of Actual Control (LAC) since early May, following Chinese intrusions at multiple locations in Ladakh. The violent military clashes at Galwan Valley and the ongoing military stand-off is reshaping India's China policy decisively, as Beijing's intransigence serves to highlight President Xi Jinping's determination to downsize India's physical territory, material power, economic growth, regional influence and diplomatic clout in international politics. India's policy is also gaining traction gradually, with restrictions on Chinese investment and technology, heightened Indian military presence in the Himalayan region, and trade incentives to reduce reliance on China in strategic sectors, even as the need for closer cooperation with the US, Japan and Australia is becoming self-evident.

Despite many rounds of almost fruitless discussions between their field commanders, China's continued refusal to accept the status quo ante along the disputed boundary in the Himalayas is an unmistakable sign of its perception of India as an adversary. Australia's growing negative perception of China also emanates from Beijing's aggressiveness towards Canberra. This has made China central to India-Australia relations, though this bilateral relationship has grown in a multidimensional manner over the past decade.

Recent tensions emanating from China's aggressive policies in the South China Sea, stifling of democratic dissent in Hong Kong, open belligerence vis-à-vis Taiwan, growing influence in Australia's political and academic circles, threats of economic retaliation amid Canberra's demands for Beijing to be held accountable for covid-19, and, of course, aggression towards India have all combined to underscore why Australia should discard its long-held ambivalence over China.

Chinese hubris, partly a result of a seeming confusion in the democratic world, appears to be pushing India and Australia together. That is why Australia has been supportive of India in its military stand-off with China. The shared intent to counter China's encroachment was evident when Australia's High Commissioner to India, Barry O'Farrell, recently met India's external affairs minister, S. Jaishankar, and remarked that "Australia opposes any attempts to unilaterally alter the status quo (on the India-China border), which only serve to increase tension and the risk of instability." O'Farrell also said that Australia was "deeply concerned" by Chinese action in the South China Sea that was "destabilising and could provoke escalation". This statement led to a Twitter spat with China's envoy to India, Sun Weidong, who blamed Australia for provoking unnecessary tensions.

This Twitter duel is reminiscent of Beijing's so-called "wolf-warrior diplomacy" against perceived adversaries, including India and Australia. This diplomatic tool is part of a public information campaign, in accordance with which Chinese diplomats respond immediately to any perceived challenge of China's interests, often by using the unconcealed fabrication of facts on social media. The intensity of these efforts by Beijing has increased, as China has been forced to defend itself on charges of concealing the origin and spread of coronavirus beyond its borders.

In March, the Chinese foreign ministry's newly appointed deputy spokesperson, Zhao Lijian, alleged that the US military brought the coronavirus to Wuhan. This was followed by false accusations in France and other attempts at scoring propaganda points. And after the Galwan tragedy, when India announced a slew of economic measures aimed at Chinese companies operating in India, the Chinese government and state media used hostile language to criticize India's actions.

China keeps reminding Australia that it is not practical for Canberra to let ties with Beijing deteriorate, given its huge dependence on China for exports. However, Australia has already banned China's major telecom company Huawei from participating in Australia's 5G telecom network on cyber security concerns.

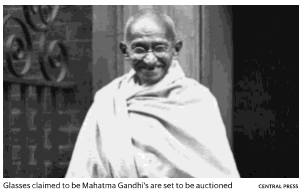
There is greater realization in Australia today of China's strategic ability to manipulate democratic societies by creating dissent and discord through misinformation campaigns. It is, therefore, in India's interests to strengthen bonds with Australia, so as to share knowledge on how Beijing undermines democratic institutions to advance its divisive agenda through information warfare and influence operations. New Delhi must also press Canberra to harden its digital wall against Beijing.

As proud democracies, India and Australia cannot afford to share a vision of a value-neutral global order that only benefits authoritarian China. Strategies are designed not only for outcomes that reflect the prevailing balance of power, but are framed by underlying beliefs and assumptions, too. On critical decisions relating to China, India's policy has for too long tried to balance its security concerns and the economic opportunities offered by China. Post-Galwan, this counterproductive bifurcation is being re-evaluated, and rightly so.

The growing alignment between India and Australia is already reflected in closer defence cooperation. There has been a major uptick in the frequency and scale of joint military exercises in recent years, and India is likely to invite Australia's participation in the Malabar naval exercise.

It is imperative for India and Australia to bring about a decisive and irreversible change in their China strategies. Having constantly undermined India's core interests in territorial sovereignty and global counter-terrorism efforts, China has been expanding its maritime footprints in the Indian Ocean and South China Sea. Since neither India nor Australia views China's military presence in their respective regions as acceptable, they will have to step up their intelligence, military and diplomatic engagements. Most middle-power democracies seem to have realized that an effective approach to counter China's aggression can only be pursued in concert with others. Yet, it should not be a narrow set of policy positions, but a wider mix of economic, trade and military alignments. Both New Delhi and Canberra have complementary needs and capabilities that can be leveraged to advance their common pursuit of a rules-based order underpinned by democratic norms.

MINT CURATOR



Glasses claimed to be Mahatma Gandhi's are set to be auctioned CENTRAL PRESS

Who'd leave Gandhi's glasses in a letterbox?

A pair of spectacles thought to belong to Indian independence leader Mahatma Gandhi are set to be auctioned for more than $19,000—after being left "hanging out" of a letterbox on a busy industrial estate. Around four weeks ago on a Monday morning, auctioneer Andy Stowe headed into work and was checking the letterboxes at his office on an industrial estate in Bristol, southwest England. "I saw an envelope hanging out of our letterbox—really, literally, just hanging out," he told CNN. When a colleague opened the envelope, they discovered the unusual contents—a pair of gold-rimmed, circular spectacles. "They had a little note in there saying 'These belonged to Gandhi, and my uncle was given them,'" he said. Stowe told CNN he called the phone number on the note, and traced the item's seller.

CNN

A Spanish town that wants you to come settle

Like many towns in what has come to be known as La España vaciada—"the hollowed-out Spain"—Pareja is picturesque, rich in history—and succumbing to depopulation. Younger people move away in search of work and opportunities, taking with them their labour, their skills and, perhaps most importantly, their children. Their absence upsets traditional demographic balances, condemning many small towns and villages to an inexorable decline... Spain's Socialist-led coalition government has responded by creating a ministry for what it terms "the demographic challenge". But the Venezuelan families are in Pareja thanks to a small new NGO, the Towns with a Future Association, which is working to match depopulated areas with migrants in search of a new life in rural Castilla-La Mancha.

The Guardian

A corona mask worth $1.5 mn is now available

An Israeli jewelry company is working on what it says will be the world's most expensive coronavirus mask, a gold, diamond-encrusted face covering with a price tag of $1.5 million. The 18-karat white gold mask will be decorated with 3,600 white and black diamonds and fitted with top-rated N99 filters at the request of the buyer, said designer Isaac Levy. Levy, owner of the Yvel company, said the buyer had two other demands: that it be completed by the end of the year, and that it would be the priciest in the world. That last condition, he said, "was the easiest to fulfill." He declined to identify the buyer, but said he was a Chinese businessman living in the United States. In an interview at his factory ..., Levy showed off several pieces of the mask, covered in diamonds. One gold plate had a hole for the filter.

AP

Apple won't allow anyone else a bite of its logo

One of the world's most valuable tech companies has filed a lawsuit to stop a small business from trademarking its logo. Apple claims the "minimalistic fruit design" of Prepear's pear logo and its "right-angled leaf ... readily calls to mind Apple's famous Apple logo and creates a similar commercial impression," according to Apple's notice of opposition before the US Patent and Trademark Office, obtained by MacRumours. Prepear is a meal-planning app that lets users store and organise recipes and it relies on Apple's mobile App Store to deliver its app. Apple also claimed its own Health app does a similar thing and consumers could mistake it for one of its products because it seems like something the company would make. The Health app "provides a central repository for health and fitness data...

The New Zealand Herald

Guess who's in a rush to reach Mount Rushmore

A White House official has made discreet inquiries into the possibility of Donald Trump's image being carved into Mount Rushmore. According to The New York Times, the official, who was not named, approached the office of Kristi Noem, the South Dakota Governor, last year to ask how an additional president could be added to the monument. Details of the approach emerged over the weekend. Likenesses of four former presidents - George Washington, Thomas Jefferson, Abraham Lincoln and Theodore Roosevelt - were immortalised in the massive 1941 sculpture, which took 14 years to create. The attraction in the Black Hills has more than 2 million visitors a year. Trump first raised the possibility of being added to the pantheon when he met Noem at the Oval Office as far back as 2017.

The Sydney Morning Herald

MY VIEW | IT MATTERS

Deep tech may stumble on insufficient computing power

SIDDHARTH PAI

is founder of Siana Capital, a venture fund management company focused on deep science and tech in India

It appears that many of the "deep tech" algorithms the world is excited about will run into physical barriers before they reach their true promise. Take Bitcoin. A cryptocurrency based on blockchain technology, it has a sophisticated algorithm that grows in complexity, as very few new Bitcoin are minted—through a digital process called "mining". For a simple description of Bitcoin and blockchain, you could refer to an earlier *Mint* column of mine (*bit.ly/33KM8K*).

Bitcoin's assurance of validity is achieved by its "proving" algorithm, which is designed to continually increase in mathematical complexity—and hence the computing power needed to process it—every time a Bitcoin is mined. Individual miners are continually doing work to assess the validity of each Bitcoin transaction and confirm whether it adheres to the cryptocurrency's rules. They earn small amounts of new Bitcoin for their efforts. The complexity of getting several miners to agree on the same history of transactions (and thereby validate them) is managed by the same miners who try outpacing one another to create a valid "block".

The machines that perform this work consume huge amounts of energy. According to *Digiconomist.net*, each transaction uses almost 544 kWh of electrical energy—enough to provide for the average US household for almost three weeks. The total energy consumption of the Bitcoin network alone is about 64 TWh, enough to provide for all the energy needs of Switzerland. The website also tracks the carbon footprint and electronic waste left behind by Bitcoin, which are both startlingly high. This exploitation of resources is unsustainable in the long run, and directly impacts global warming. At a more mundane level, the costs of mining Bitcoin can outstrip the rewards.

But cryptocurrencies are not the world's only hogs of computing power. Many Artificial Intelligence (AI) "deep learning neural" algorithms also place crushing demands on the planet's digital processing capacity.

A "neural network" attempts to mimic the functioning of the human brain and nervous system in AI learning models. There are many of these. The two most widely used are recursive neural networks, which develop a memory pattern, and convolutional neural networks, which develop spatial reasoning. The first is used for tasks such as language translation, and the second for image processing. These use enormous computing power, as do other AI neural network models that help with "deep learning".

Frenetic research has been going into new chip architectures for these to handle the ever-increasing complexity of AI models more efficiently. Today's computers are "binary", meaning they depend on the two simple states of a transistor bit—which could be either on or off, and thus either a 0 or 1 in binary notation. Newer chips try to achieve efficiency through other architectures. This will ostensibly help binary computers execute algorithms more efficiently. These chips are designed as graphic-processing units, since they are more capable of dealing with AI's demands than central processing units, which are the mainstay of most devices.

Sophisticated algorithms need the kind of processing capacity that draws too much costly energy

In a parallel attempt to get beyond binary computing, firms such as DWave, Google and IBM are working on a different class of machines called quantum computers, which make use of the so-called "qubit", with each qubit able to hold 0 and 1 values simultaneously. This enhances computing power. The problem with these, though, is that they are far from seeing widespread adoption. First off, they are not yet sophisticated enough to manage today's AI models efficiently, and second, they need to be maintained at temperatures that are close to absolute zero (-273° celsius). This refrigeration, in turn, uses up enormous amounts of electrical energy.

Clearly, advances in both binary chip design and quantum computing are not keeping pace with the increasing sophistication of deep tech algorithms.

In a research paper (*bit.ly/3fKeHZ9*), Neil Thompson of the Massachusetts Institute of Technology and others analyse five widely-used AI application areas and show that advances in each of these fields of use come at a huge cost, since they are reliant on massive increases in computing capability. The authors argue that extrapolating this reliance forward reveals that current progress is rapidly becoming economically, technically and environmentally unsustainable.

Sustained progress in these applications will require changes to their deep learning algorithms and/or moving away from deep learning to other machine learning models that allow greater efficiency in their use of computing capability. The authors further argue that we are currently in an era where improvements in hardware performance are slowing, which means that this shift away from deep neural networks is now all the more urgent.

Thompson *et al* argue that the economic, environmental and purely technical costs of providing all this additional computing power will soon constrain deep learning and a range of applications, making the achievement of key milestones impossible, if current trajectories hold.

We are designing increasingly sophisticated algorithms, but we don't yet have computers that are sophisticated enough to match their demands efficiently. Without significant changes in how AI models are built, the usefulness of AI and other forms of deep tech is likely to hit a wall soon.