



## Current Affairs, 2nd to 8th February, 2020

### International

#### Trump Moves On

→ The acquittal of U.S. President Donald Trump, of impeachment charges in the Senate, has brought an end to the months-long acrimonious proceedings in Congress that exposed the American political class's deep partisan divisions. Mr. Trump, who was impeached for abuse of power and obstruction of Congress in the Democrats-controlled House in December, has expectedly claimed the Senate acquittal as a "vindication" of his actions. But the truth is far from his claims. **It is Mr. Trump's decision to delay critical military aid to Ukraine in return for Kiev launching investigations against Joe Biden, the former Vice-President and a key Democratic presidential candidate, and his son, Hunter Biden that triggered the impeachment proceedings.** By refusing to cooperate with the House inquiry into the issue, the Democrats said he obstructed Congressional proceedings. The House voted largely on party lines on December 18 to impeach him, but it was clear that he would not be convicted **in the Republicans-controlled Senate where a two-third majority is needed to remove a sitting President** from office. The **Grand Old Party** stood firmly behind its President. Only Mitt Romney, the Utah Senator, broke ranks to vote against Mr. Trump on one of the two charges. If it was certain that Mr. Trump would be acquitted, why did the House Democrats launch the impeachment proceedings? The Democrats would say that irrespective of the final outcome, it is the House's responsibility to hold the President accountable for his actions. While this is a valid argument, the problem is the political cost. Mr. Trump has already launched a tirade and would definitely turn the acquittal into another campaign issue that would fit into his "witch hunt" narrative. Clearly, the Congressional inquiry and the trial have not dented his popularity as many of his rivals had hoped for. Different pollsters suggest that the **President's approval rating jump (43.5% to 49%) is near his highest level since he entered the office.** Furthermore, the Republican Party, which had often clashed with Mr. Trump in the early days of his Presidency, stood united to defend him, irrespective of the facts of the Ukraine scandal. On the other side, the Democrats, despite their morally righteous positions, are divided. The Iowa caucuses were an opportunity for them to start the process of building a nationwide counter-narrative to Mr. Trump's protectionist, bellicose, and sometimes vindictive policies. But they messed up, embarrassing themselves. The Democrats may still not end the political wrangling over the scandal. The House can summon more witnesses and continue the investigation. But to ensure a Trump defeat in the November poll, that may not be enough. They should have transparent primaries, unite behind their candidate and launch a campaign on issues that appeal to the American voter.

#### What Is State of The Union Address?

→ At 9 pm ET on 4<sup>th</sup> February — 7.30 am in India on 5<sup>th</sup> February — President Donald Trump will begin the annual State of the Union (SOTU) Address to a Joint Session of the US Congress in Washington DC.



**ORIGINS:** The SOTU address is the American President's annual report to the people, and fulfils his constitutional obligation to give to Congress "from time to time... information of the State of the Union, and recommend to their Consideration such measures as he shall judge necessary and expedient". (Art. II, Section 3, Clause 1). From 1790, when President George Washington delivered the first of these messages, to 1946, the address was formally known as the Annual Message. Between 1942 and 1946, it was informally called the "state of the Union" message/address; since 1947, when President Harry S Truman gave his message to Congress (January 6), it has been officially known as the State of the Union Address.

**WHERE, WHEN:** Modern SOTU addresses have been delivered in the House Chamber. Prior to the move of the Capitol to Washington, DC, the Annual Message was often delivered in the Senate Chamber. A House concurrent resolution sets aside the day and time for a Joint Session to receive the communication. Until 1934, the Annual Message was delivered every December; since then, the Annual Message/SOTU has been delivered every January or February. Trump's Address on Wednesday will be the 97<sup>th</sup> in-person Address/Annual Message in United States history.

## The Brexit

- Britain began an uncertain future outside the European Union on Saturday after the country greeted the historic end to almost half a century of EU membership with a mixture of joy and sadness. There were celebrations and tears on Friday as the EU's often reluctant member became the **first to leave an organisation** set up to forge unity among nations after the horrors of World War II. Little has changed as of Saturday as the U.K. is now in an **11-month transition period** negotiated as part of the divorce. **Britons will be able to work in the EU and trade freely — and vice versa — until December 31, although the U.K. will no longer be represented in the bloc's institutions.** But legally, Britain is out. Thousands of people waving Union Jack flags packed London's Parliament Square and sang the national anthem to mark that reality as Brexit became law at 11 pm (2300 GMT) — midnight in Brussels. British Prime Minister Boris Johnson is preparing to impose full customs and border checks on all European Union goods entering Britain from next year, in an attempt to increase pressure on the bloc in trade talks, However, Brexit has exposed deep divisions in British society and many fear the consequences of ending 47 years of ties with their nearest neighbours. Some pro-Europeans, including many of the 3.6 million EU citizens who have made their lives in Britain, marked the occasion with candlelit gatherings.

## Foreign Affairs

[A Case of a Maritime Presence Adrift \(Captain L.K. Panda Retired as Nautical Adviser to The Government of India And Has Represented India In The IMO. M. Kalyanaraman - Marine Engineer-Turned Journalist\)](#)

- As the millennium dawned, the world feared that computers would crash because of the Y2K bug. Twenty years later, as 2020 kicked in, there were fears that merchant ships would sputter to a halt, disrupting world trade. The reason? **The International Maritime**



Organization (IMO), the United Nations agency tasked with regulating shipping, had mandated that merchant ships should not burn fuel with sulphur content greater than 0.5% beginning January 1. Before the ban, fuel had a comfortable sulphur content limit of 3.5%, which was applicable to most parts of the world. Despite the industry gradually gearing up to introduce the new fuel, many industry professionals feared that the new very-low-sulphur fuel would be incompatible with the engines and other vessel equipment. Past mandates on sulphur limits in American waters had led to many technical problems. There have been instances of ships having been stranded after fine particles separated out from the fuel, damaging equipment and clogging up devices. This has not happened so far. But the global sulphur cap is only one of the many environment-related regulations that have been shaking up the shipping industry; the industry is generally risk-averse and slow to accept changes. For instance, efforts are ongoing to reduce nitrogen oxides (NOx) and ozone-depleting gases. Further, the IMO has announced an ambitious project to decarbonise shipping in order to reduce carbon emissions. These regulations are triggering massive technological, operational and structural changes; they come at a price which will have to be borne to a large extent by developing countries such as India. The IMO currently lists India as among the 10 states with the “largest interest in international seaborne trade”. But India’s participation in the IMO to advance its national interests has been desultory and woefully inadequate.

### Global Regulator

Shipping, which accounts for over 90% by volume and about 80% by value of global trade, is a highly regulated industry with a range of legislation promulgated by the IMO. The IMO currently has 174 member states and three associate members; there are also scores of non-governmental and inter-governmental organisations. The IMO’s policies or conventions have a serious impact on every aspect of shipping including the cost of maritime trade. The sulphur cap, for instance, will reduce emissions and reduce the health impact on coastal populations but ship operational costs are going up since the new fuel product is more expensive. As refineries including those in India struggle to meet the demand, freight costs have started moving up, with a cascading effect on retail prices. The IMO, like any other UN agency, is primarily a secretariat, which facilitates decision-making processes on all maritime matters through meetings of member states. The binding instruments are brought in through the conventions — to which member states sign on to for compliance — as well as amendments to the same and related codes. Structurally, maritime matters are dealt by the committees of the IMO — the Maritime Safety Committee (MSC), Marine Environment Protection Committee (MEPC), Technical Cooperation Committee, Legal Committee and the Facilitation Committee. Each committee is designated a separate aspect of shipping and supported by sub-committees. Working groups and correspondence groups support the subcommittees. The subcommittees are the main working organs, where the proposals from a member state are parsed before they are forwarded to one of the main committees. The main committees, thereafter, with the nod of the Assembly, put the approved proposal for enactment through the Convention, amendments, and codes or circulars. Prominent maritime nations have their permanent representatives at London and are supported by a large contingent (of domain experts from their maritime administration, seafarers and industry associations) during the meetings. They ensure that they have representation in every subcommittee, working group and even correspondence groups so that they are clued in. Lobbying is key while event sponsorship generates goodwill and support.



### A Feeble Voice

To ensure that their maritime interests are protected, the European countries move their proposals in unison and voting or support are given en bloc. China, Japan, Singapore, Korea and a few others represent their interests through their permanent representative as well as ensuring that a large delegation takes part and intervenes in the meetings. **While these countries have fiercely protected their interests, India has not. For example, its permanent representative post at London has remained vacant for the last 25 years.** Representation at meetings is often through a skeletal delegation, approved by the Ministry. Participation in IMO meetings is seen more as a junket. A review of IMO documents shows that the number of submissions made by India in the recent past has been measly and not in proportion to India's stakes in global shipping. There have also been obstacles in pushing issues which are of importance to India. A classic case was the promulgation of "High Risk Areas" when piracy was at its peak and dominated media headlines. **The IMO's demarcation resulted in half the Arabian Sea and virtually the entire south-west coast of India being seen as piracy-infested, despite the presence of the Indian Navy and Coast Guard. The "Enrica Lexie" shooting incident of 2012, off the coast of Kerala was a direct fallout of the demarcation. The "High Risk Area" formulation led to a ballooning of insurance costs; it affected goods coming into or out of India.** It took great efforts to revoke the promulgation and negate the financial burden. The episode highlighted India's apathy and inadequate representation at the IMO. **There was also great difficulty in introducing the indigenously designed NavIC (NAVigation with Indian Constellation) in the worldwide maritime navigation system.** In contrast, the European Union has a documented procedure on how to influence the IMO. New legislative mandates, fitment of new equipment and changes to ship structural designs being brought on have been driven by developed countries. They are not entirely pragmatic from the point of view of India's interests. Further, it will not be mere speculation to see them as efforts to push products and companies based in the West. So far, India's presence and participation in the IMO has been at the individual level. India should now make its presence felt so that its national interests are served. It is time India regained its status as a major maritime power.

### [Navy to the rescue \(Abhijit Singh - Senior Fellow at the Observer Research Foundation and a retired naval officer\)](#)

- ➔ Earlier this week, India sent an amphibious warship, **INS Airavat**, to **Madagascar** in the Indian Ocean Region (IOR) to help in rescue efforts after the **island nation was hit by a cyclone**. As part of **Operation Vanilla**, the Navy delivered clothing, food and medicines, and also provided diving and communication assistance for evacuation. The move follows an appeal by Madagascar President Andry Rajoelina for international help to deal with an unprecedented situation caused by floods.

### Component of Peacetime Strategy

New Delhi's prompt response doesn't come as a surprise. In recent years, humanitarian operations have emerged as a key component of the Indian Navy's peacetime strategy in the IOR. **In March 2019, the Navy deployed four warships for relief operations when Mozambique was hit by Cyclone Idai.** Indian naval teams played a stellar role in search and rescue



operations and even set up medical camps. A few months later, the Navy sent two warships to **Japan** to assist in rescue efforts following **Typhoon Hagibis**. A year earlier, Indian vessels had delivered urgent medical assistance to **Sulawesi, Indonesia**, after it was struck by a **high-intensity earthquake**. Operation **Samudra Maitri** was launched after a telephonic conversation between Prime Minister Narendra Modi and Indonesian President Joko Widodo, with naval planners mobilising assets and relief material in quick time. The Navy's new humanitarian approach, many say, is a maritime manifestation of Mr. Modi's vision for the IOR, christened **SAGAR (Security and Growth for All in the Region)**. Yet the Navy's turn towards human-centred maritime security isn't recent. It was in the aftermath of the 2004 tsunami that naval commanders first recognised the importance of large-scale relief and rescue missions in the IOR. For over a decade, considerable resource and energy has been spent developing specialist capability and skills for naval humanitarian operations. What's new today is New Delhi's resolve to burnish its 'regional security provider' credentials. The Navy has reached out to countries across the Indo-Pacific region, with greater deployment of assets, personnel and specialist equipment, showcasing an ability to undertake complex and diverse missions. **The highpoint of the Navy's 'benign' efforts was the evacuation of over 1,500 Indian expatriates and 1,300 foreign nationals from Yemen in 2015 amid fighting for control of Aden.** Three years later, Indian naval ships were in Yemen again, to evacuate 38 Indians stranded in the **cyclone-hit Socotra Island**. The Navy's humanitarian impulse stems from a desire to be a linchpin of security in the IOR. At the core of the evolving operations philosophy is the concept of 'first responder', with the capability and willingness to provide assistance. **Such an approach has the potential to create an extended sphere of Indian influence in the IOR.** Naval leaders recognise that benign missions help project Indian soft power and extend New Delhi's influence in the littorals. Prompt response during humanitarian crisis helps generate political goodwill in the neighbourhood.

### Cause for Caution

Yet, there is cause for caution. **While low-end naval assets in humanitarian mode create strategic equity for India, prolonged presence of front-line warships in foreign waters has the potential to make partners anxious.** Naval power, experts underline, must be deployed discreetly, shaping perceptions in subtle ways. The key is to not let the underlying intent of a mission appear geopolitical. To ensure that motives aren't misunderstood, and assistance provided is efficient and cost-effective, it is best to use dedicated disaster-relief platforms. However, **unlike the U.S. and China that have in their inventory hospital ships fully equipped for medical assistance, India deploys regular warships and survey ships converted for medical aid.** India's improvised platforms do not match the **U.S. Navy's medical ship USNS Mercy** or the **People's Liberation Army Navy's Peace Ark** that enable specialised medical services on a more visible scale. The Navy's expanding array of humanitarian missions reveals a need for greater coordination with the Indo-Pacific navies – in particular the U.S. Navy, the Royal Australian Navy and the Japanese Self-Defence Forces — which possess significant experience and assets to mitigate humanitarian threats. As natural disasters in the IOR become more frequent and intense, India's regional security role is likely to grow exponentially. At the forefront of disaster scenarios, the Indian Navy and Coast Guard would find themselves undertaking demanding missions. Humanitarian operations could serve as a springboard for a larger cooperative endeavour in the maritime commons.

- The SAGAR concept was announced by Prime Minister Narendra Modi in March 2015, during his visit to Mauritius and other Indian Ocean islands. At the time, **Madagascar, Comoros and**

**Shatabdi Tower, Sakchi, Jamshedpur**



the French island of Reunion were a part of the East and South Africa Division at the External Affairs Ministry. However, recently the Ministry decided to include the three islands as part of the IOR (Indian Ocean Region) desk along with Sri Lanka, the Maldives, Mauritius and the Seychelles. The inclusion of the region in the IOR signals the government's increasing level of comfort with the "Indo-Pacific" concept that describes the entire neighbourhood from the coast of Africa to the U.S. west coast. In one of many changes effected last week to the Ministry's organisational structure, Foreign Secretary Harsh Shringla decided to club the entire Indian Ocean Region and the Southern and Indo-Pacific Divisions under one Additional Secretary (Indo-Pacific).

### Maldives Re-Joins Commonwealth

- The Maldives re-joined the Commonwealth, more than three years after the Indian Ocean island nation quit the association amid mounting criticism of its human rights record then. In 2016, the Maldives pulled out of the Commonwealth terming "unjust" the grouping's decision to penalise the country over former President Mohamed Nasheed's controversial ouster in 2012. It followed the Commonwealth Ministerial Action Group (CMAG)'s warning to Maldives of suspension from the bloc, voicing "deep disappointment" over the country's lack of progress in resolving the political crisis during former President Abdulla Yameen's presidency, whose authoritarian slant sparked concern domestically and internationally. However, months after President Ibrahim Mohamed Solih won the 2018 presidential elections, promising to restore democracy, he wrote to the Commonwealth, requesting to re-join the bloc. The Government of India congratulated the Government of Maldives on its readmission to the Commonwealth of Nations as its 54<sup>th</sup> member. New Delhi-Male ties witnessed a significant shift following the poll defeat of former President Yameen, perceived to be a friend of China.

Nation

### SC To Frame Issues For 9-Judge Bench Hearing Religious Right

- The Sabarimala case review by a five-judge Bench, led by then CJI Ranjan Gogoi, took a curious turn on November 14 last. The Bench sidestepped the task of reviewing the September 2018 judgment, which declared the prohibition on the entry of women of menstruating age into the Sabarimala temple as discriminatory. Instead, the Bench referred seven questions, including whether essential religious practices should be afforded constitutional protection under Article 26 (freedom to manage religious affairs), to a larger Bench. Further, the Review Bench tagged other pending cases on the prohibition of Muslim women from entering mosques, female genital mutilation among Dawoodi Bohras and the ban on Parsi women who married inter-faith from entering the fire temple to the reference. Chief Justice Bobde, when he succeeded Justice Gogoi, promptly set up the nine-judge Bench to decide this reference. Mr. Nariman argued that the Gogoi Bench had no business to either drag other cases into the reference or frame such "larger issues" when its sole mandate was to simply review the Sabarimala verdict. Review jurisdiction was rare and limited. The task of a review Bench was only to ascertain there was no apparent error or gross miscarriage of justice in the original judgment. Chief Justice Bobde said the nine-judge Bench would not decide on the legality of the religious practices under challenge in the individual cases

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referred to it. But Mr. Nariman intervened to say that courts “cannot decide the law without applying the facts of each case”. Senior advocate Shyam Divan added that courts cannot indulge in “speculative opinions”. “The November 14 judgment was speculative in nature,” he said. Senior advocate Rajeev Dhavan asked how the Sabarimala review could be kept in limbo. “A review cannot be adjourned or postponed as the November 14 judgment has done... How can you hear larger issues when the review is pending?”, he said. The CJJ said Mr. Nariman and others “may be correct in saying that law ought to be decided as and when cases come and not in anticipation or pre-emption of their coming”.

### Upholding the Fairness of The Sentencing Process (Neetika Vishwanath And Preeti Pratishruti Dash Work with Project 39A, National Law University, Delhi)

→ A Constitution Bench of the Supreme Court in **Bachan Singh v. State of Punjab (1980)** laid down the sentencing framework in capital cases, requiring sentencing courts to consider the **aggravating and mitigating circumstances** of the offence and the offender when deciding the question of punishment. Courts also have to discharge the burden of meaningfully considering **whether the alternative option of life imprisonment has been unquestionably foreclosed**. The death sentence can only be imposed in exceptional cases involving extreme culpability, and such exceptionalism cannot solely be rooted in the brutality of the crime. The manner of imposition of death sentences by courts at all levels in this case sits uncomfortably with the basic tenet of Bachan Singh. These decisions do not meaningfully engage with the mitigating circumstances of the convicts leave alone fulfilling the obligation of unquestionably foreclosing the option of life imprisonment. The sentencing orders of both the trial court and the High Court not only summarily dismissed mitigating factors on the basis of precedents but also went on to explain why any punishment lesser than the death penalty would not meet the demands of “justice”. The trial court commented upon the “extreme mental perversion of the accused”, which was “not worthy of human condonation” and also reiterated elements of the crime to highlight their “bestial behaviour”. The High Court elaborately discussed the exceptional nature of this case given the brutality involved to conclude that expecting society to demand anything other than the death penalty for the convicts would be “unnatural and ludicrous”. A plain reading of the sentencing orders makes it very clear that the public clamour for “hanging the rapists” made its way into the judicial decision-making. Irrespective of the brutal nature of the crime, the circumstances of the convicts are crucial to the sentencing exercise and have to inform the punitive outcome. Recognising these deficiencies in the sentencing hearings by lower courts, the Supreme Court took it upon itself to appreciate mitigating evidence. The Court allowed defence counsels access to the convicts and directed the defence counsel to file “necessary separate affidavits and documents on mitigating circumstances”. While this is noteworthy, the decision to itself hear on the question of sentence and not send the case back to the trial court for a fresh sentencing hearing took away the right of the convicts to be heard on the issue of sentence by courts at three different levels. The evidence on mitigation that was presented before the Court in the form of affidavits included material on the socio-economic circumstances of the convicts, their family background and some information on their previous occupation. The uncanny similarity between the mitigation affidavits of the defendants is itself a matter of concern, as it does not meaningfully present individual circumstances of the convicts, raising questions about the quality of legal representation.



However, of graver concern is the manner in which the court dismissed these circumstances as irrelevant, given the circumstances of the crime in the case.

### Issue of Life Imprisonment

Confirming the death sentences for all, two concurring opinions remarked that the crime was bound to “shock the collective conscience” and any punishment lesser than the death penalty would “shake the confidence of the public” in the criminal justice system. After an unreasoned dismissal of individual circumstances of the convicts, the Supreme Court also failed to sufficiently answer why life imprisonment was unquestionably foreclosed. The Court failed to discharge any of these burdens. At its core, **imposition of death sentence to satisfy “collective conscience” is vengeance couched as retributive justice**, captured by the phrase “an eye for an eye”. Modern penal systems consider this an outmoded concept, and even Bachan Singh had observed that retributive justice means punishment based on blameworthiness of the convict, and cannot be equated to “vindictiveness”. The sentencing requirements under the law do not have a place for bloodlust. However, the judgments in this case indicate a strong influence of collective conscience on the outcome. In fact, the Supreme Court’s approach suggests that society’s cry for the death penalty justifies the imposition of the death penalty, without adequately dealing with the question of life imprisonment. The execution of the four convicts after exhaustion of their legal remedies may give their case a semblance of due process. However, concerns about the fairness of the sentencing process remain unanswered. While the public has very little patience to appreciate such nuances of the law, courts are duty-bound to maintain a high degree of fidelity to these processes. This should hold true especially in a case such as this which has seen loud and repeated calls for “hanging the rapists”.

### Sedition Law — What Courts Said

- A sessions court in Mumbai rejected the anticipatory bail application of a 22-year-old student booked under Section 124A (sedition) of the Indian Penal Code (IPC) along with 50 others. The sedition charge was filed on the basis of slogans that the student had raised in favour of another student who has already been booked for sedition. The court said the slogan “attracts the ingredients of sedition”.

### The Grounds, The Arguments

The FIR filed by the Azad Maidan police on February 3 claims that Urvashi Chudawala is seen raising the slogan, “Sharjeel tere sapnoko hum manzil tak pahuchaenge,” at the LGBTQ Solidarity Gathering on February 1. Sharjeel Imam, a JNU student, was booked for sedition and on other charges for an anti-CAA speech in which he is reported to have spoken about “cutting off the Northeast from India” by blocking roads and railway tracks. He is in custody. Chudawala’s lawyer, Vijay Hiremath, argued that “in the intensity of sloganeering”, certain names were mentioned. He said Imam’s name was said only once, “for two seconds”. “It was raised against Imam’s arrest, whose sedition itself is not proved yet. To say that his arrest is wrong, cannot be considered sedition. We may disagree with what she has said, but it still does not attract sedition,” Hiremath said. Chief public prosecutor Jaising Desai, on the other hand, submitted that the slogan “was in support of a person who is an enemy of the country”. He said the police had also found that Chudawala had shared and liked a Facebook post that





said, "Release Sharjeel Imam Unconditionally." The court, while rejecting the application, said the offences registered against Chudawala were "serious". "The court is required to keep in mind the effect of the order on the public at large," the judge said. Hiremath has filed an appeal against the sessions court order in the Bombay High Court. The appeal is likely to come up for hearing.

### The Sedition Law and Its Validity

Section 124A IPC states: "Whoever, by words, either spoken or written, or by signs, or by visible representation, or otherwise, brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards, the Government established by law in India, shall be punished with imprisonment for life, to which a fine may be added; or, with imprisonment which may extend to three years, to which a fine may be added; or, with fine."

Section 124A has been challenged in various courts in specific cases. The validity of the provision itself was upheld by a Constitution Bench in 1962, in **Kedarnath Singh vs State of Bihar**. That judgment went into the issue of whether the law on sedition is consistent with the fundamental right under Article 19 (1) (a) which guarantees each citizen's freedom of speech and expression. **The Supreme Court laid down that every citizen has a right to say or write about the government, by way of criticism or comment, as long as it does not "incite people to violence" against the government established by law or with the intention of creating public disorder.** In the current Mumbai case, Chudawala's lawyer submitted that the slogan was not raised with the intent of inciting violence, nor had it led to any public disorder.

### The Maharashtra Circular

During his arguments, Hiremath also referred to preconditions laid down in a 2015 circular issued by the Maharashtra government to its police personnel before invoking sedition. Hiremath claimed that police did not adhere to these while slapping the sedition charge on Chudawala. This was, however, was not accepted by the court. The 2015 circular came during the hearing of a public interest litigation in the Bombay High Court, after cartoonist Aseem Trivedi was booked for sedition. Trivedi had been arrested in 2012 for cartoons during the anti-corruption protests by Anna Hazare, on charges including sedition as it was claimed that they defamed Parliament and the Constitution. The sedition charge was subsequently dropped by the police; a PIL was filed in 2015 on the alleged "arbitrary" application of the charge.

### What the High Court Said

The High Court in 2015 referred to the Kedarnath judgment and said there was a need to lay down parameters for the invocation of Section 124A. "Otherwise a situation would result in which an unrestricted recourse to Section 124A would result in a serious encroachment of guarantee of personal liberty conferred upon every citizen of a free society," the court had said. **Apart from the Kedarnath judgment, the High Court referred to five other judgments, including a Supreme Court judgment (Balwant Singh vs State of Punjab) regarding raising of slogans by three men after former Prime Minister Indira Gandhi was assassinated.** The SC then ruled that "casual raising of slogans, once or twice by two individuals alone cannot be said to be aimed at exciting or attempt to excite hatred or disaffection by the government". The court observed, "It is clear that the provisions of Section 124A of IPC cannot be invoked to penalise criticism of the persons for the time being engaged in carrying on administration



or strong words used to express disapprobation of the measures of the government with a view to their improvement or alteration by lawful means.” The court, however, said it did not feel the need to dwell on the subject further as the state government at the time had proposed that it would issue guidelines in the form of a circular to all its police personnel, as submitted before the court by the then Advocate General. The AG had said the circular would indicate the parameters to be followed for invocation of Section 124A.

### The State Guidelines

The circular was issued, and its guidelines included preconditions to be kept in mind while invocation of 124A. These were that the words, signs or representations in question must bring the government into hatred or contempt or must cause or attempt to cause disaffection, enmity or disloyalty to the government, and must also be an incitement to violence or must be intended or tend to create public disorder or a reasonable apprehension of public disorder. “Comments expressing disapproval or criticism of the government with a view to obtaining a change of government by lawful means without any of the above are not seditious under section 124A,” stated one of the preconditions. To ensure that the section is not raised arbitrarily, the circular also directed that a legal opinion from the district law officer should be taken by the public prosecutor addressing fulfilment of these conditions. Within a few months of the High Court order in 2015, the state government also informed the court that it was issuing a Government Resolution based on the circular. The Indian Express asked retired and current bureaucrats and police officials if the GR was issued, but they said they were not aware of it.

### Extended Folly

- Six months after the BJP government at the Centre revoked the special constitutional status of Jammu and Kashmir and reduced it to two Union Territories, several senior leaders of the erstwhile State continue to be in detention. The controversial Public Safety Act (PSA) was invoked against former Chief Ministers Omar Abdullah and Mehbooba Mufti, among others. They were in preventive detention without charges until then. The 83-year-old Farooq Abdullah, another former CM, had earlier been detained under the PSA, and he remains in detention. There is no clarity regarding the number of prisoners or the future course for J&K, despite the elaborate rhetoric from Prime Minister Narendra Modi in Parliament on the subject. With the dilution of Article 370 that accorded special status to J&K in August last year, the region has now been fully integrated with the rest of the country, the Prime Minister claimed. Indeed, the malevolent instruments of power deployed in J&K have since then dangerously spread to other parts — the crackdown on legitimate political activities, the vilification of leaders critical of the government as anti-India, and high-handed policing that is not merely condoned but glorified. The PM defended the indefinite and arbitrary detention of people as essential, and accused the former CMs of making “unacceptable” statements. If the executive were to draw boundaries on what statements are ‘acceptable’ and arrogate to itself the authority to punish unacceptable ones, it would be dangerous for a constitutional democracy. The Supreme Court had in January chided the government for the indefinite restriction on Internet in J&K, following which services have been partially restored. The Court cited the constitutional guarantee of freedom of speech, and also criticised the frequent and widespread use of Section 144 by governments. While the Court order was rousing in its tone, it did little to restrain the government. The changes to Article 370 and the manner in which



they were effected, are under the consideration of the top court, which has not shown the sense of urgency these questions deserve. Though the BJP has always had an ideologically deterministic approach towards J&K, its policy has been nothing more than improvisation. At least at this late hour, the Centre must make an honest approach to restart a political process in the Valley. Indiscreet moves such as attempts to graft an inorganic layer of leaders into Valley politics are destined to fail. With all their follies, regional outfits and their leaders remain India's best bet in J&K. Their continuing detention betrays a perturbing lack of awareness of this basic fact in decision-making in New Delhi.

### Story Of 67 Acres in Ayodhya Adjoining Babri Site, Now with Ram Temple Trust

→ Prime Minister Narendra Modi announced in Lok Sabha that a trust named Shri Ram Janmabhoomi Tirtha Kshetra will be handed over the whole of the 67.703 acres acquired "to maintain the sanctity of Ayodhya and for the construction of the temple, keeping in mind the needs of crores of devotees". The trust will take independent decisions on the construction of the Ram temple and related matters, Modi said. In its final order on the Ayodhya matter on November 9 last year, a five-judge Constitution Bench of the Supreme Court gave the 2.77 acres of disputed land to a trust that would construct the temple. These 2.77 acres included the 1,480 sq. yards that the Babri Masjid compound occupied until the demolition of December 6, 1992. The 67 acres that have been handed to the trust are adjoining the (formerly) disputed 2.77 acres. **After kar sevaks demolished the Babri Masjid, the government of Prime Minister P V Narasimha Rao acquired all the adjoining land around the disputed spot, for the Centre to keep and allot at its discretion.** This land included other mosques, temples, farm land, and graveyards. An Ordinance titled **Acquisition of Certain Area at Ayodhya Ordinance was issued on January 7, 1993** to acquire 67.703 acres of land in the Ramjanmabhoomi-Babri Masjid complex. A reference to the Supreme Court under Article 143 of the Constitution was made on the same day. The Ordinance was subsequently replaced by The Acquisition of Certain Area at Ayodhya Act, 1993. In its **Ismail Faruqui** judgment (Dr M Ismail Faruqui and Ors vs Union of India, October 24, 1994), the Supreme Court upheld the acquisition of the land by the Centre, but said that the land was held to enable a meaningful implementation of the final resolution of the four original suits in the Ayodhya matter. (There were five suits originally, one was withdrawn, and the Supreme Court ruled on the remaining four last year.) "However, it is with the caveat of the Central Government's duty to restore it to its owner, as indicated earlier, if it is found later to be unnecessary; and reservation of liberty to the owner to challenge the needless acquisition when the total need has been determined," the court said. There were attempts from the affected parties to get the land back. In June 1996, the Ramjanmabhoomi Nyas asked the government to return the excess land, but this request was denied "on the ground that... (it) can be considered only after the suits relating to the disputed area are adjudicated by the Hon'ble Allahabad High Court...". (The Allahabad High Court delivered its judgment on September 30, 2010, dividing the disputed 2.77 acres equally among the Nirmohi Akhara, the Sunni Central Wakf Board, UP, and Ramlalla Virajman.) More recently, in January 2019, the central government asked the Supreme Court to allow it to "restore/revert/hand over back the superfluous/excess land" from the 67.703 acres it had acquired in 1993 to the "original owners", including the Ram Janmabhoomi Nyas. The Centre said in its application (which, however, was not listed for hearing) that the judgment in Ismail Faruqui, which had upheld the constitutional validity of The Acquisition of Certain Areas of Ayodhya Act, 1993, under which the 67.703 acres were acquired, had also established that the "interest claimed by the Muslims was only over the



disputed site of 0.313 acres where the disputed structure stood before its demolition". One of the advocates on record for the Babri Masjid side between 2011 and 2019, M R Shamshad, said: "As expected, the central government has declared that the entire 67 acres would go in favour of the Ram temple Trust." However, there were graveyards on three sides of the Babri Masjid, Shamshad said. "The central government may well have considered not using the graveyard of Muslims for constructing the grand temple of Lord Ram. Lord Ram would have never wanted this to happen."

[Course Correction for The Speaker's Office \(Anmolam - Lawyer Running A Non-Profit Organisation, BDLAAAW. Farheen Ahmad - Research Scholar at The South Asian University, New Delhi\)](#)

→ Recently, the Supreme Court of India while adjudicating upon the matter relating to the disqualification of MLAs in the Manipur Legislative Assembly under the Tenth Schedule in *Keisham Meghachandra Singh vs. the Hon'ble Speaker Manipur Legislative Assembly & Ors.* made a significant suggestion. It recommended that **Parliament should rethink as to whether disqualification petitions ought to be entrusted to a Speaker as a quasi-judicial authority when such a Speaker continues to belong to a particular political party either de jure or de facto.** It was of the opinion that Parliament may seriously consider a Constitutional amendment to substitute the Speaker of the Lok Sabha and Legislative Assemblies with a **'permanent Tribunal headed by a retired Supreme Court judge or a retired Chief Justice of a High Court, or some other outside independent mechanism.** This is to ensure that such disputes are decided both swiftly and impartially, thus giving teeth to the provisions contained in the Tenth Schedule, which are so vital in the proper functioning of India's democracy', according to a media report. More than such advice, what is interesting is the underlying reasoning which revolves around the nature of functions exercised by the Speaker.

[Range of Functions; A Symbol](#)

The nature of duties of the Speaker, technically as an "arbiter" or a "quasi-judicial body" should not be limited exclusively to matters under the Tenth Schedule; rather, it extends to a range of its functions. While facilitating the business of the House and to maintain decorum in the House, the Speaker has 'extensive functions to perform in matters regulatory, administrative and judicial, falling under her domain. She enjoys vast authority under the Constitution and the Rules, as well as inherently'. She is the 'ultimate interpreter and arbiter of those provisions which relate to the functioning of the House. Her decisions are final and binding and ordinarily cannot be easily challenged. She decides the duration of debates, can discipline members and even override decisions by committees. She represents the collective voice of the House and is the sole representative of the House in the international arena'. Jawaharlal Nehru, one of the chief architects of India's freedom and a moving force behind its Constitution, describes the position as: "The Speaker represents the House. She represents the dignity of the House, the freedom of the House and because the House represents the nation, in a particular way, the Speaker becomes a symbol of the nation's freedom and liberty. Therefore, that should be an honoured position, a free position and should be occupied always by persons of outstanding ability and impartiality." However, on several occasions, the Speaker's role has been questioned on the allegation of bias. The office has been criticised for being an agent of pernicious partisan politics. Notably, the Supreme



Court has observed in Jagjit Singh versus State of Haryana as “...Without meaning any disrespect for any particular Speaker in the country, but only going by some events of the recent past, certain questions have been raised about the confidence in the matter of impartiality on some issues having political overtones which are decided by the Speaker in his capacity as a Tribunal.” The reasons behind the counterproductive machinations of the Speaker are not too far to seek. As a minority view, Justice J.S. Verma in Kihoto Hollohan vs Zachillhu And Others observed: “The Speaker being an authority within the House and his tenure being dependent on the will of the majority therein, likelihood of suspicion of bias could not be ruled out.” Currently, the extent of the Speaker’s political commitment often depends on the personality and character of the person holding the office. Howsoever desirable the proposition of neutrality may be, in the present circumstances, it would be unrealistic to expect a Speaker to completely abjure all party considerations while functioning as **there are structural issues regarding the manner of appointment of the Speaker and her tenure in office**. Since the electoral system and conventions in India have ‘not developed to ensure protection to the office, there are cogent reasons for Speakers to retain party membership. A member is appointed to the office of the Speaker if a motion nominating her is carried in the House. Elections are not always by consensus and there have been cases when different parties have fielded their own candidates. All political parties campaign in the constituency of the Speaker. Even if the Speaker is re-elected to the House, the office of the Speaker in India is still open for elections’, according to a paper published by The Hindu Centre for Politics and Public Policy. Therefore, what is required is not merely incidental changes in the powers of the Speaker; rather a major revamp in the structure of the office itself is necessary. **It is suggested that a scheme should be brought wherein Speakers should renounce all political affiliations, membership and activity once they have been elected, both within the Assembly and in the country as a whole.**

### Upholding Neutrality

Reference can be sought from the United Kingdom where the ‘main characteristic of the Speaker of the House of Commons is neutrality. **In practice, once elected, the Speaker gives up all-partisan affiliation, as in other Parliaments of British tradition, but remains in office until retirement, even though the majority may change.** She does not express any political views during debates and is an election candidate without any ticket’, says an IPU report. Impartiality, fairness and autonomy in decision-making are the hallmarks of a robust institution. It is the freedom from interference and pressures which provide the necessary atmosphere where one can work with absolute commitment to the cause of neutrality as a constitutional value. At a time when India’s fall in ranks in the latest Democracy Index has evoked concern, it is expected that Parliament will pay heed to the reasoning of the Supreme Court and take steps to strengthen the institution of the Speaker.

### Reducing Custodial Deaths (M.P. Nathanael - Retired Inspector General of Police, Central Reserve Police Force)

- On October 13, 2019, Pradeep Tomar, a security guard, rushed with his 10-year-old son to Pilkhua police station in Hapur district in Uttar Pradesh. He had been summoned for interrogation in connection with a murder case. The son later said that his father was brutally tortured by the policemen in front of him for hours. When Tomar’s condition deteriorated he was rushed to hospital, where he died. A FIR was registered against four policemen after the



National Human Rights Commission took note of the case. Earlier last year, a Delhi court sentenced five U.P. policemen to 10 years of rigorous imprisonment for torturing a man to death in custody in 2006. The five policemen had abducted the victim on suspicion of his involvement in a car robbery and tortured him in custody. Later, after he died, they manipulated records to obliterate all evidence of custodial death and closed it as a case of suicide. The case was transferred from a court in Gautam Buddh Nagar to Delhi by the Supreme Court on the grounds that a fair trial would not be possible within the State. Pronouncing the verdict, the additional sessions judge Sanjeev Kumar Malhotra said, "The police play a major role in the administration of criminal justice. One of the reasons for custodial death is that the police feel that they have a power to manipulate evidence as the investigation is their prerogative and with such manipulated evidence, they can bury the truth." He added, "They are confident that they will not be held accountable even if the victim dies in custody and even if the truth is revealed."

### Acting with Impunity

These incidents have brought into sharp focus the way Indian policemen torture and interrogate suspects in their custody leading to death in several cases. As a result, policemen all over the country have been severely criticised and condemned. Strictures passed against policemen from time to time by learned judges of various courts notwithstanding, the police continue to brazenly torture suspects in their custody. The Central Bureau of Investigation too uses torture as a method of investigation. In September 2016, B.K. Bansal, Director General of Corporate Affairs, and his son Yogesh committed suicide. In their suicide note, the two men listed the names of officers who had tortured their family in connection with a case of disproportionate assets. Bansal's wife and daughter too had committed suicide two months earlier. On the directions of the National Human Rights Commission, an inquiry was held by the CBI. Expectedly, the agency exonerated all the accused. Taking cognisance of the matter, the Central Vigilance Commission published a standard operating procedure laying down guidelines for interrogation of accused officials. Custodial deaths have been on the increase in recent years. They increased by 9% from 92 in 2016 to 100 in 2017, according to the National Crime Records Bureau. Since policemen responsible for custodial deaths rarely get punished, they feel emboldened to continue using torture as the tool to get to the truth. In 2015, for instance, the police registered cases against fellow police officers in only 33 of the 97 custodial deaths.

### A Historic Order

The Supreme Court delivered a historic order in 2006 on police reforms. It stated, among other things, that **every State should have a Police Complaints Authority where any citizen can lodge a complaint against policemen for any act of misdemeanour. However, only a few States such as Kerala, Jharkhand, Haryana, Punjab and Maharashtra have implemented the order.** Others have not taken the matter seriously. Until exemplary punishment is meted out to policemen who are responsible for custodial deaths after proper judicial inquiry, not much can be expected to ameliorate the situation. Proper interrogation techniques coupled with use of scientific methods to extract the truth from suspects can go a long way in reducing custodial deaths.



## Punish the Police

→ The action taken by the police against a private school in Bidar district of Karnataka must rank among the worst instances of the misuse of the sedition provision in penal law in recent times. Teams of police personnel have been visiting the Shaheen School for some days now, and they have already arrested a teacher and a parent so far, for an allegedly seditious and inflammatory play against the Citizenship (Amendment) Act, in which it is claimed some remarks purportedly insulting to the Prime Minister were made. It is unbelievable that the police would waste their time in pursuing a complaint by a right-wing activist about a play performed by children between the ages of nine and 12. That primary schoolchildren are being subjected to sustained harassment with utter disregard for child-friendly laws and procedures is an egregious violation that the police seem to be committing with impunity. The arrest of a teacher who is said to have supervised the performance and the mother of a child on the allegation that she had added words to the script is particularly condemnable. It is a clear case of misuse of the power to arrest, when it is merely a verbal offence and does not require any custodial interrogation. Besides sedition under **Section 124A**, the provisions invoked concern insult aimed at provoking breach of peace, statements made with intent to incite people against the state and promote enmity between groups on the basis of religion. It is indeed **bizarre for the police to believe that all these offences were made at a play involving a group of children**. It was only a few days ago that a Supreme Court Bench observed that words such as 'anti-national' and 'sedition' were being bandied about loosely these days. The incident in Bidar exemplifies this trend. And it also confirms that the law is often used to silence political comment on matters deemed sensitive by the rulers. Sedition, an outdated provision which deserves no place in a modern penal code, has been invoked to portray political dissent as promotion of disaffection. Often forgotten is the fact that it cannot be invoked without the essential ingredients for invoking the section, namely, an imminent threat to public order and incitement to take up arms or resort to violence. It is also noteworthy that the **police have deemed the opposition to the citizenship law amendment as something against the state**, when the section itself has an explanation that nothing that seeks to get the government to change its policy by lawful means is sedition. There must be something seriously wrong with a police system that believes that everyone who is suspected of committing an offence is to be arrested. Given the pervasive misuse of the sedition provision as well as the power to arrest, it may be time to strengthen conduct rules to provide for exemplary punishment to police personnel who violate constitutional guarantees of free speech and personal liberty in an arbitrary way.

## Poet's Taxi Ride Ends at Police Station After Mention Of 'Protests'

→ Little would have Jaipur-based poet Bappaditya Sarkar imagined that his mention of the word 'protest' during a phone conversation while travelling in Mumbai could land him at a police station. Mr. Sarkar was returning to Kurla from Juhu in an Uber cab on Wednesday, when he called a friend to discuss the ongoing protests in the country against the Citizenship (Amendment) Act (CAA). However, unknown to him, the driver was not only overhearing Mr. Sarkar's side of the conversation but also reacting to it. And instead of taking the passenger to the destination, he drove the poet to the Santacruz police station. In a series of messages, which were later shared on Twitter by activist Kavita Krishnan, Mr. Sarkar narrated his ordeal. "I was at Silver Beach, Juhu, last night, and booked a cab around 10:30-10:45 to go back to Kurla, where I'm staying. As I got in the cab, I called a friend of mine and we were talking



about protest cultures in different cities, what happened at Shaheen Bagh yesterday, people's discomfort with 'Laal Salaam' and how we could make Jaipur's protests more effective. Some 10-20 minutes into the conversation, my Uber driver stopped and asked if he could use the ATM. I agreed. Minutes later, he came back with two policemen and that's when I realised, he had gotten me to a police station," Mr. Sarkar tweeted. He went on to recall how the policemen started quizzing him, and that he had to explain that he was carrying a dafli (a hand drum) because he was at the Mumbai Bagh protest earlier in the day. Mr. Sarkar said he was ultimately released after being told not to wear a red scarf or carry a dafli, given "the times that we live in". An Uber spokesperson said the company was "reviewing the matter".

### [Back to Bread and Butter \(Tikender Singh Panwar - Former Deputy Mayor, Shimla, And Convener, National Coalition For Inclusive And Sustainable Urbanisation\)](#)

- Delhi has always been a city of the poor, displaced and dispossessed. Over the years, large development projects and master plans have pushed the poor further to the peripheries, depriving them of access to good healthcare facilities, education and infrastructure. Oxfam reports that while India is one of the fastest-growing economies in the world, it is also one of the most unequal. But Mr. Kejriwal's five years of rule have provided poor citizens a glimmer of hope. Cities are the greatest generators of wealth and innovation. In India, they contribute about 60% of the GDP. A huge surplus is generated through the expropriation of some of the basic utilities and services in cities. Professor Ursula Hews wrote in the Socialist Register how 'use value items' have been commoditised. This, she said, has led to pauperisation of the people and the creation of a huge surplus for large transnational corporations. It's not a surprise then that some of the large transnational corporations shifted their portfolio from finance to service utilities. In fact, the largest appropriation of capital is taking place through either direct privatisation or backdoor privatisation of utilities such as health, education, water, and even sanitation. The Smart Cities project further facilitated this growth of surplus by allowing the Internet of Things to govern cities and charging residents for the services being offered.

#### Electricity and Health

It is against this backdrop that the Kejriwal government has tried to democratise this surplus and distribute it among the citizens. This has happened in various ways. Take, for example, water distribution and billing in Delhi. **Every family in Delhi that consumes less than 20 KL (kilolitres, or 1,000 litres) is not charged for water. Similarly, for electricity consumption of up to 200 units, there is no charge. For those consuming 201-400 units a month, approximately 50% subsidy is provided. Whereas a family in Mumbai, Noida or any other megacity in India has to pay more than ₹2,000 for both water and electricity,** families in Delhi save this money and use it for other purposes. The Delhi government has also established **Mohalla clinics**, or neighbourhood health clinics, in Delhi. The government has created a four-tier healthcare delivery system comprising clinics for primary health care, clinics for secondary health care, multi-speciality hospitals, and super-speciality hospitals. According to National Health Accounts estimates, patients in India bear a big chunk of health expenses — as high as 61% of the total health expenditure — by themselves. Therefore, free health clinics help reduce the financial burden on poor and marginalised groups. As of now, 300 Mohalla clinics are functional and the AAP government proposes to open 500 more. This will also shift the health





paradigm from curative to preventive care and ease the health expenditure for citizens significantly. The Kejriwal government has also provided **free bus rides** for women. It promises to make bus rides free for all students, if elected to power. This will not only help people save more, but also reduce the burden on private mobility. Given that Delhi sees spells of very high pollution, encouraging public transport is important. Nearly 49% of the population in Delhi lives in either slums or clusters. These are the people who have got enormous respite due to the redistributive policy implemented by the Kejriwal government in the last few years. Mr. Kejriwal may have flip-flopped on issues such as Article 370, but at least he has proved that alternatives meaningful to a majority of citizens can be developed.

→ In a passage in the biography of C. Rajagopalachari by Rajmohan Gandhi, as the end of colonial rule approaches, the civil servant B.K. Nehru proposes to the veteran freedom fighter that the government of independent India set up quality schools for talented children. And the latter replies: "You want young man a new Brahmanism. This country will not take it. It wants equality, not excellence." What was being expressed was very likely a view held by the emerging governing class, that nurturing talent is a form of elitism. In fact, the reverse could turn out to be true for, as depicted in the life of Eklavya, nature does not favour the rich and the powerful when it comes to distributing talent. Innocent of this, a public policy obsessed with avoiding differentiation has avoided excellence in schooling. This has hurt the historically disadvantaged of this country.

### Not an Elitist Aspiration

There is nothing that points to the inevitability of inequality when aiming at excellence in our schools. In fact, quite to the contrary, excellent public schools, which are accessible to all, can ensure that historic inequalities are levelled-off to a large extent. Schooling is the formative stage in the life of an individual with respect to development of capabilities, gaining awareness of rights and responsibilities and moulding attitudes that matter in civic engagement. If India desires to be a successful democracy it is necessary to invest in a schooling that takes every child to the highest level in these three areas. School children must be imbued with the spirit of wanting to excel in everything they will do in the future, from their careers to their performance as citizens. The idea that pursuing excellence in education reflects an elitist aspiration is not a view shared by the poor. Poor parents work exceptionally hard to send their children to fee-paying private schools so that they stand a better chance in life. Surveys by the educational foundation Pratham show learning outcomes in these schools to be barely ahead of those in government ones. Yet, the poor must work that much harder and tighten their belts that much more to afford them, for they consider even this slight advantage as helpful to their children.

### Encouraging Signs

In one part of this country, however, the wait for an improved public-school system may be beginning to come to an end. Along with an emphasis on primary health care the government of Delhi has, by all accounts, initiated the transformation of its schools. Only a detailed study can establish how far it has progressed and how deep are its roots but the signs yet seen are encouraging. First, the physical infrastructure has improved. The chosen schools have classrooms with good furniture and are smart, not only in terms of their appearance, but also in terms of IT-enabled teaching aids. There are clean playgrounds and functioning toilets, the absence of which has long meant a declining school attendance by



girls across the country. Selected teachers have been given training overseas. Interviews reveal that they feel supported in their tasks by the government, which is perhaps more important for efficacy than funds. Most important, some of the government schools have recorded better Board exam results than private ones, triggering a once unimaginable reverse migration! However, innovation has gone beyond what it takes to achieve superior exam performance, important as it is. There is also an effort to spur cognitive development, essential for a child to make sense of the world. This marks a shift from the emphasis on memorising content, for long the bane of schooling in India. It is too early to make resounding claims about the success of the school's programme of the Aam Aadmi Party. But it has demonstrated that it is possible to combine excellence with equity in India's schools, the site where achieving excellence will yield the highest pay-off for its society.

### Reading Bodo: One Language, Three Scripts, And A Focus Area in Accord

- In a series of tweets on January 30, Prime Minister Narendra Modi acknowledged the signing of the Bodo Peace Accord among the Centre, Assam government and Bodo groups. The PM, who often tweets in regional languages, wrote a number of these tweets in the Bodo language. The language is one of the key thrust areas in the Bodo Accord.

#### A History of Various Scripts

Estimated to have 1.5 million speakers (Census 2011), Bodo is listed in the Eighth Schedule of the Constitution. It is spoken in Assam, where the Bodo tribe constitutes about 5-6% of the population, and in Arunachal Pradesh, Nagaland, Meghalaya, and West Bengal. The PM's tweets in Bodo were written in both the Devanagari script and the Roman script. While Bodo is officially written in the Devanagari script, the language has a history of having been written in at least three different scripts — until in 1974, the Government recognised Devanagari as its official script. The language is believed to have had its own script in the pre-13<sup>th</sup> century era, when it was called Deodhai. However, scholars say there are contrasting claims and no concrete proof. "When the Danish missionaries came to the Bodo-dominated area in the latter part of the 19<sup>th</sup> century, they started using the Roman script to teach Bodo in missionary schools," said Pranab Jyoti Narzary, Assistant Professor, Department of Bodo, Pandu College. J D Anderson, a member of Indian Civil service (1873-1900), is known to have translated a number of Bodo folk songs into English. "In the first decade of the 20<sup>th</sup> century, Bodos started writing in the Assamese/Bangla script," said Narzary. The decades that followed saw use of both Assamese/Bangla and Roman scripts, until in 1962, the Bodo Sahitya Sabha, the apex Bodo literary body established in 1952, decided to use the Assamese script for Bodo textbooks to systemise the language. Taren Boro, president of the Bodo Sahitya Sabha, said four universities have Bodo departments: Gauhati University, Cotton University, Bodoland University, and Dibrugarh University. "In 1972, many academics and scholars decided that it was better to return to the Roman script since the Assamese script wasn't conducive to certain Bodo pronunciations," said Narzary. In the 1970s, there was a sustained mass movement to that end, resulting in 18 deaths. This led to the then Indira Gandhi government asking the Bodos to use Devanagari as the official script, with a promise that it would be accorded an official Indian language status in the Eighth Schedule. "After that, books, medium of instruction in schools, offices have always been written in the Devanagari script," Narzary said. "The problem is that many old-timers, who started with the



Assamese script, find Devanagari tough; those who use Devanagari find Assamese tough — and many people stick to the Roman script because it is much easier.”

### Promises in The Accord

It was only in 2003, under the then Bodo Accord, that the language was listed in the Eighth Schedule. “The 2003 Accord was very significant for language because it was the **first tribal language to be included in the Eight Schedule**,”. In Assam, it has enjoyed the status of official associate language in undivided Goalpara district since 1986. “Now the **2020 Accord makes Bodo the associate official language throughout Assam**,” he said. The new Accord also promises to establish a separate directorate for Bodo medium schools, provincialize schools and colleges in the BTAD (Bodoland Territorial Autonomous District) and establish a Cultural Complex-cum-Centre of Excellence named after the late social activist Bodofa Upendranath Brahma in Kokrajhar for protection and promotion of the language. “The Bodos, who are one of the oldest inhabitants of the region, have been pushed from one capital to another ever since the 12<sup>th</sup> century. As a result, they have lost their language and script,” said Raju Narzary.

### W As A Vowel

In the PM’s tweets written in the Roman script, the words include “afadphwrjwng”, “gwrwbtha” and “thabwinw”. The letter w is used as a vowel in a number of languages, including Welsh, and denotes different sounds from language to language. In Bodo, “the letter w is used to denote the high back unrounded vowel /w/ because the appropriate symbol is not readily available on computer keyboards and handsets. Though it might not be phonetically correct, it is used for the convenience of writing as well as orthographical need,” said Dr Phukan Ch Basumatary of Bodoland University, Kokrajhar, who researches linguistics, “Actually in English /w/ represents a semi-vowel. That is why this [letter] makes a contradiction for non-Bodo users.”

### Disaster Management

- Recent reports suggest that the Union Cabinet will be taking up the proposal to amend the Disaster Management Act of 2005, which largely focuses on improving preparedness, providing immediate relief, and protecting infrastructure. However, it neglects a key aspect of disaster management – long-term recovery. The Disaster Management Act was enacted to effectively prevent, mitigate and prepare for disasters. It came into being on the heels of three major disasters in the Indian subcontinent: the 1999 super cyclone in Odisha, the 2001 Bhuj earthquake, and the 2004 Indian Ocean tsunami. The Act mandated the creation of the **National Disaster Management Authority, State Disaster Management Authorities, and District Disaster Management Authorities**. It laid down the framework, roles and responsibilities of these bodies to formulate and implement disaster management plans at their levels. The Act rightly emphasises the need to move from responding to disasters to effective preparedness, which has led to most States investing in resilient infrastructure, early warning systems and evacuation. However, steps towards recovery and rehabilitation of disaster-affected people are hardly discussed. How has this imbalance in priorities shaped disaster management since 2005?



### Fragmented Outcomes

The Act's enormous emphasis on preparedness has translated into timely warnings, relief shelters and massive evacuation exercises. All these steps have reduced casualties. Further, the National Disaster Response Fund and State Disaster Response Funds have helped guide immediate relief in the aftermath of disasters. Post-disaster rehabilitation and recovery are left to respective Ministries and Departments. However, only select States like Andhra Pradesh, Kerala and Odisha have department-level disaster management plans. This inconsistent manner of implementation is akin to how the National Disaster Management Plan was drawn up in 2016, 10 years after the enactment of the Act. While integrating post-disaster rehabilitation measures with existing development schemes can be seen as the right step towards mainstreaming disaster management, it is marred by poor implementation and lack of intent from different ministries and departments. For instance, post-disaster housing reconstruction activities in Odisha are aligned with Central and State housing schemes such as the Biju Pucca Ghar Yojana and the Pradhan Mantri Awas Yojana. However, evidence from research in Ersama, Odisha, shows that pucca houses built under these housing schemes were dilapidated and uninhabited in several places because of costs associated with reconstruction.

### Recovery Measures

Scholarship on disaster management conceptualises recovery as action taken to rebuild lives once the hazardous situation has passed. However, this has been commonly interpreted as providing food, water and medicines. Even in instances where States have moved beyond this, long-term recovery measures have largely focussed on addressing physical vulnerabilities such as the provision of shelter. While these interventions are crucial, long-term recovery needs much more, but it is tricky because everyday vulnerabilities stemming from poverty are accentuated by recurring hazards. Recovery measures should address inherent vulnerabilities pertaining to livelihoods, education, water, sanitation, health, and ecology of the disaster-affected communities. Intangible losses such as psychosocial needs of the communities should be given equal emphasis. Long-term recovery needs to be thought of alongside development in an integrated and comprehensive manner by combining with health, skill building, and livelihood diversification schemes. This would ensure that communities have, at the very least, recovered to a new normal before the next disaster strikes. This understanding is crucial to the lawmakers looking to amend the Act.

### Purifying Water

- The Environment Ministry's draft notification to regulate the use of membrane-based water purification systems primarily concerns the manufacturers of reverse osmosis (RO) water filters but effectively bars domestic users from installing RO systems. The notification is the culmination of a legal dispute before the National Green Tribunal, which had banned RO water filter use in Delhi as the purification process wastes water. The association of water filter manufacturers challenged this order and the litigation led to this pan-India notification, where the intent is to conserve water and cut waste. In RO, the total dissolved solids (TDS) in water — which covers trace chemicals, certain viruses, bacteria and salts — can be reduced, to meet potable water standards. Home filters waste nearly 80% of the water during treatment. Second, some research has shown that the process can cut the levels of calcium and magnesium, which are vital nutrients. The resort to prohibition (to restrict home filters)



may cause consumer apprehension but it is unlikely that they will be taken to task for using such water filters. For one, the notification implies, these filters are only prohibited if the home gets water supply that conforms to Bureau of Indian Standards (BIS) for Drinking Water. Although several State and city water boards claim BIS standards, the water at homes falls short of the test parameters. The BIS, last year, ranked several cities on official water supply quality. Delhi was last and only Mumbai met all the standards. In the 28 test parameters, Delhi failed 19, Chennai 9, and Kolkata 10. The BIS norms are voluntary for public agencies which supply piped water but are mandatory for bottled water producers. Moreover, most of the country does not have the luxury of piped water. The Composite Water Management Index (CWMI) of NITI Aayog says that 70% of water supply is contaminated. India is ranked 120<sup>th</sup> among 122 countries in an NGO, WaterAid's quality index. The case for restricting people's choices on the means they employ to ensure potable water is thus weak. The notification mainly deals with rules for commercial suppliers and for integration of systems that inform consumers about TDS levels — a major determinant of water quality. This is envisaged both before water enters filtration systems and after it has been filtered. The aim is also to ensure that after 2022, no more than 25% of water being treated is wasted, and for residential complexes to reuse the residual waste water for other activities, including gardening. When implemented, the notification's primary aim should be to persuade authorities to upgrade and supply BIS-standard water at the consumer's tap. This should be done without additional costs, particularly on millions who now lack access to protected supply.

### Study on Bat-Hunters Under Scanner

→ The report of a government inquiry into a study conducted in Nagaland by researchers from the U.S., China and India on bats and humans carrying antibodies to deadly viruses like Ebola was submitted to the Health Ministry, officials confirmed to The Hindu. The inquiry comes as officials worldwide grapple with the spread of novel coronavirus (nCoV) 2019 from Wuhan in China to over 20 countries. The study came under the scanner as two of the 12 researchers belonged to the Wuhan Institute of Virology's Department of Emerging Infectious Diseases, and it was funded by the U.S Department of Defence's Defence Threat Reduction Agency (DTRA). They would have required special permissions as foreign entities to undertake the exercise. The study was investigated for how the scientists were allowed to access live samples of bats and bat hunters (humans) without due permissions. The results of the study, conducted by scientists of the Tata Institute of Fundamental Research (TIFR), the National Centre for Biological Sciences (NCBS), the Wuhan Institute of Virology, the Uniformed Services University of the Health Sciences in the U.S. and the Duke-National University in Singapore, were published in October last in the PLOS Neglected Tropical Diseases journal, originally established by the Bill and Melinda Gates Foundation. The NCBS authorities were not available for immediate response. The U.S. Embassy and the Union Health Ministry declined to comment on the inquiry. In a written reply to questions from The Hindu, the U.S. Centre for Disease Control (CDC) in Atlanta said it "did not commission this study and had not received any enquiries [from the Indian government] on it." An American official, however, suggested that the U.S. Department of Defence might not have coordinated the study through the CDC. The study states that the researchers found "the presence of filovirus (e.g. ebolavirus) reactive antibodies in both human and bat populations in Northeast India, a region with no historical record of Ebola virus disease."



## The Indian Population Is A Result of Four Migrations

- Over the last five years or so, we have gained far greater clarity into how different population groups formed across the world as a result of ancient migrations. This applies to Europe, the Americas, East Asia or Central Asia as much as to South Asia or India. This has happened mainly because in recent years, population geneticists have acquired the ability to extract and analyse DNA from the bones of people who lived thousands or tens of thousands of years ago. Now we know which ancient population groups moved where and when. These new findings fit each other like pieces of a global jigsaw puzzle, and they are also in harmony with the latest discoveries from other disciplines such as archaeology and linguistics. Most population groups in the world used to assume that they have always been where they are today, and that they are 'pure' in some sense. The new understanding of global migrations has upended this received wisdom. All populations that exist today are the result of mixing between prehistoric/ historic migrant groups. Therefore, there is no such thing as race or genetic purity. The Indian population, for example, is the result of four major migrations. First, **Out-of-Africa** migrants who reached here around **65,000 years ago**, they are called the First Indians. Second, a population related to the farmers of Iran who were in the north-western region from around 12,000 years ago and who mixed with the First Indians and together created the agricultural revolution that resulted in the **Harappan Civilisation**. Third, **a migration from East Asia around 4,000 years ago that brought Austro-Asiatic languages such as Khasi and Mundari to India**. And last, **central Asian Steppe pastoralists** from regions now known as **Kazakhstan** who brought Indo-European languages to India 4,000 to 3,500 years ago and called themselves Arya. Almost all population groups in India today are a mixture of these four components, in differing proportions.

### What Are Some of the 'Facts' That Have Been Proved Wrong?

The understanding that our present demography is the product of four migrations leads to many surprising conclusions. For example, we now know that the **Harappans are the ancestors of both north Indians and south Indians** because when their civilisation declined around 3,900 years ago, they spread across the country, carrying their genetic and cultural heritage. You could, therefore, say that the Harappan Civilisation is what holds us together, and is the fountainhead of our culture. Second, **the language of the Harappans, most likely proto-Dravidian, continued to thrive in south India but was overlain by Indo-European languages when the Steppe pastoralists arrived in the north later**. Third, between around 4,000 years ago and 2,000 years ago, there was a great mixing between groups with different migration histories that left no Indian population group untouched (except perhaps the Andamanese). Fourth, **endogamy, or the practice of people marrying within their own groups, began only around 2,000 years ago, which suggests that the caste system did not begin with the arrival of the Arya but was the result of political developments around the beginning of the Common Era**. Fifth, **almost all population groups of India carry 50-65% of their ancestry from the First Indians, no matter where in the caste hierarchy they stand, what language they speak, which region they inhabit or what religion they belong to**.

## How the Old Aryan-Dravidian Tussle Played Out in An Iconic TN Temple

- Tens of thousands of people thronged Thanjavur in Tamil Nadu's Cauvery delta to witness the **kumbhavishegam (consecration)** ceremony at the **Sri Brahadeeswarar Temple**. This

[Shatabdi Tower, Sakchi, Jamshedpur](#)



enormously significant event was held after 23 years — and after the Madras High Court had settled an old argument over the ritual purification process only five days previously. The judgment delivered on January 31 by the Madurai Bench of the court addressed the struggle for supremacy between the Sanskrit and Tamil traditions that lies at the heart of several cultural battles in the state — and which also played out in the kumbhabishegam ceremony.

### Temple and Ceremony

The consecration ceremony that culminated with the maha poornahuthi or the main puja at 9.20 am on Wednesday, had begun on Saturday evening. Between then and Wednesday, about a million devotees are estimated to have visited the temple. The Sri Brahadeeswarar Temple (also spelt Brihadisvara, and called Peruvudaiyar Koyil, which translates simply to 'Big Temple') is the most famous of the many temples in Thanjavur. The temple, one of the world's largest and grandest, was built between 1003 AD and 1010 AD by the great Chola emperor Raja Raja I (c. 985-1014 AD). At Wednesday's event, holy water brought from the yaga salai — the site of the yajna in the temple compound — was poured on the gold-plated kalasam that tops the 216-foot vimanam over the sanctum sanctorum. The other idols at the temple too, were sanctified with holy water from the yaga salai. While several special trains were run for pilgrims, the temple management ultimately cancelled the eagerly awaited classical dance performances that were supposed to be part of the event, given the anticipated challenges in managing the massive crowds. The last kumbhabishegam ceremony in 1997 was marred by a fire at the yaga salai, which triggered a stampede in which more than 40 pilgrims were killed. **According to Brahmanical tradition, every temple must be consecrated every 12 years, including repairs and renovation.** The 1,000<sup>th</sup> year of the temple was celebrated in 2010, when M Karunanidhi was Chief Minister.

### Before the High Court

On Friday, the court, in a dispute over which language should be used in the slokas at the kumbhabishegam, agreed with the state government's affidavit that the ceremony should be in both Sanskrit and Tamil. The Thanjai Periya Koil Urimai Meetpu Kuzhu (Thanjavur Big Temple Rights Retrieval Committee), an organisation that aims to restore Tamil traditions in the Sri Brahadeeswarar Temple, had demanded that the kumbhabishegam should be held only in Tamil. They had received the backing of DMK leader M K Stalin. However, Minister for Tamil Culture Mafoi K Pandiarajan had said: "The consecration will be performed in both Tamil and Sanskrit. After we received the request from Tamil groups, a committee has been formed on behalf of the Hindu Religious and Charitable Endowments Department, they will find an amicable solution."

### The Judicial Precedent

The government's position and ultimately, the High Court's verdict, drew from a judgment delivered by Madras High Court over a decade ago, which refused to accept that the language of prayer could only be Sanskrit. The attempt by conservative clergy "to portray as if the God can understand only Devanagari language and Tamil cannot stand on par with that language, is only stated to be rejected and it does not have any foundation based upon any scripture or religious texts", the High Court Bench of Justices Elipe Dharma Rao and K Chandru said. (V S Sivakumar vs State Of Tamil Nadu, March 19, 2008) In writ petitions filed by a 'Hindu Temple Protection Committee' and the hereditary priest of a temple in Ramnad



district, the question before the court was “whether the... providing for archanas to be performed in Tamil at the request of the devotees in addition to the existing practice of reciting archanas in Sanskrit, would offend the right to profess Hindu religion guaranteed under Article 25 of the Constitution of India”. The petitioners wanted the court to restrain the government from interfering in traditional rituals in temple. The judgment quoted from Dr S Radhakrishnan’s *The Hindu View of Life*: “To many, Hinduism seems to be a name without any content. Is it a museum of beliefs, a medley of rites, or a mere map, a geographical expression?” (p.11) Rejecting the petitions, it said: “If the petitioners’ request for a restrained order is accepted, it will only result in the Hinduism becoming mere museum of beliefs.” The judges ruled: “There is nothing either in the Agamas (canonical texts) or in any other religious script to prohibit the chanting of Tamil manthras in the temples run under the administration of the (government’s) HR&CE (Hindu Religious and Charitable Endowments) Department... “...The choice is vested with the devotees to seek for their archanas to be performed at their wishes by chanting the manthras either in Tamil or in Sanskrit... It is the devotees or bhakthas who wish that their prayers or wishes to be answered by the God...”

### Larger Political Battle

While Friday’s court order provided temporary closure ahead of the kumbhabishegam, the questions in the longstanding tussle involve emotive issues of faith and tradition that are unlikely to be resolved easily. In essence, the disagreement is between the Aryan tradition that claims that Sanskrit is the only language to communicate with the Gods, and that chanting mantras in Sanskrit is an essential part of the Hindu religious practice, and the Dravidian tradition that cites the ancient history of the Bhakti movement in Tamil Nadu, during which devotional Shaivite texts such as *Thevaram* and *Thiruvagasam* made Shiva a deity of the common man. Aryan-Dravidian disputes in Tamil Nadu have traditionally pitted Tamil nationalist organisations against upper caste Hindu groups and, in recent times, Hindutva outfits. The mainstream Tamil nationalist party Naam Thamizhar Katchi, and other Tamil and Dravidian outfits such as the Cauvery Urimai Meetpu Kuzhu, the Tamil Desiya Periyakkam, and the Hindu Veda Marumalarchi Movement were among those who raised the demand for consecration in Tamil in Thanjavur. The rival camp demanding prayers only in Sanskrit was led by Tamil Nadu Archagargal Samooga Nalasangam, which claimed to hold the flag for “existing tradition and practice”.

### For A Data Firewall

→ The report by a German cybersecurity firm that medical details of millions of Indian patients were leaked and are freely available on the Internet is worrying. The firm listed 1.02 million studies of Indian patients and 121 million medical images, including CT Scans, MRIs and even photos of the patients, as being available. Such information has the potential to be mined for deeper data analysis and for creating profiles that could be used for social engineering, phishing and online identity theft, among other practices that thrive on the availability of such data on the Darknet — restricted computer networks which exchange information using means such as peer-to-peer file sharing. The reason for the availability of this data is the absence of any security in the Picture Archiving and Communications Systems (PACS) servers used by medical professionals and which seem to have been connected to the public Internet without protection. Public data leaks have been quite common in India — from





government websites enabling the download of Aadhaar numbers to electoral data rolls being downloaded in bulk, among others. Unlike the data protection regulations in place in the European Union and in the U.S., India still lacks a comprehensive legal framework to protect data privacy. The Draft Personal Data Protection Bill 2019 is still to be tabled but could enable protection of privacy. The draft Bill follows up on the provisions submitted by a committee of experts chaired by Justice B.N. Srikrishna to the Ministry of Electronics and Information Technology in 2018. The committee sought to codify the relationship between individuals and firms/state institutions as one between “data principals” (whose information is collected) and “data fiduciaries” (those processing the data) so that privacy is safeguarded by design. While the 2019 version of the Bill seeks to retain the intent and many of the recommendations of the Justice Srikrishna committee, it has also diluted a few provisions. For example, while the Bill tasks the fiduciary to seek the consent in a free, informed, specific, clear form (and which is capable of being withdrawn later) from the principal, it has removed the proviso from the 2018 version of the Bill that said selling or transferring sensitive personal data by the fiduciary to a third party is an offence. There are other substantive issues with the Bill pertaining to the situations when state institutions are granted exemption from seeking consent from principals to process or obtain their information. Yet, considering the manner in which public data are being stored and used by both the state and private entities, a comprehensive Data Protection Act is the need of the hour.

### The Many Problems of Delayed Data (R.K. Raghavan - Former CBI Director)

- In the Murder at the Vicarage, Agatha Christie wrote: “I often wonder why the whole world is so prone to generalise. Generalisations are seldom if ever true and are usually utterly inaccurate.” It is appropriate to remember this statement when we discuss the crime scene in any part of the world. This is because crime statistics offer people a huge opportunity to indulge in generalisations. For instance, if there are two murders on successive days in our city, we are quick to condemn the police and the government for their alleged laxity in controlling murders. In India, ‘murder capital’ and ‘rape capital’ are some of the most regular expressions used by those who want to condemn the police and the government, and sensationalise crime, while ignoring the hard realities on the ground. Law enforcement agencies have to learn to live with such sweeping remarks. To an extent, the anger directed at the state is rooted in partial crime data. But though accurate data may be difficult to come by, that gives us no reason to ignore what is available. If you want to portray the ground situation with reasonable accuracy, you need to rest your assessment on available statistics, however shaky they may be, and not make statements that betray your own prejudices and biases. Publications such as ‘Crime in India’ (CII), which is brought out annually by the National Crime Records Bureau (NCRB), offer some hope that at least some people, including researchers and discerning citizens, will give up sweeping analyses and rest their case on a rational platform. I do not for a moment suggest that NCRB statistics are 100% reliable. It is true that they have many infirmities. But the NCRB is the only source of crime data we have today.

#### Formidable Challenges

Let us look at some of the formidable challenges faced by the NCRB. The first is the lackadaisical approach of some of the States in providing data. The NCRB merely assembles the figures it receives from the State police forces and does not tinker with them to reach a



predetermined conclusion. It hits a roadblock when a few States either don't bother to send the figures or send them much after the volume is published. The second problem is that questions are raised over the utility of the data. There was a two-year delay in releasing the crime statistics for 2017. Just two months after it was published, the 'Crime in India' 2018 report was released. These numbers are only relevant to researchers, not policymakers. It is strange that we see such delays in an age of computerisation, when we boast of efficient and swift online services. Part of the blame rests on State police agencies. It is intriguing why they cannot send preliminary figures to the NCRB by mid-January every year and fine-tune the figures a few months later. A fossilised CII is meaningless. There is nothing sensational to report on what happened in 2018 on the crime front. A less than 2% increase in the total number of cases registered under major and minor laws may be comforting, but it does not carry us far in understanding what is happening on the ground. The third problem lies with the police and the public. **The police are notorious the world over for not registering complaints. They do this so that they can present a false picture of a decline in crime. This pernicious practice is often encouraged by the top leadership. Legend has it that some four or five decades ago, an Inspector General of Police in Uttar Pradesh lost his job for ordering his force to register every single complaint made to them at the police station! His political bosses apparently didn't take kindly to this, as a phenomenal increase in the number of crimes would show the government in poor light. The public are also not very enthusiastic about reporting crimes to the police.** They are fearful of being harassed at the police station or do not believe that the police are capable of solving the crime. This is a Catch-22 situation.

### Crimes Difficult to Bury

However, the problem has declined slightly over the years due to public awareness and intense media scrutiny. Despite the widely prevalent desire at the lower levels of the police, abetted sometimes by their immediate superiors, to suppress crime, there are a few classes of offences which are becoming increasingly difficult to bury. This is attributable to the extraordinary interest evinced by the media in reporting crime. **The first category of crimes that is difficult to bury is of homicides. India reports an average of 30,000 murders every year (29,017 were registered in 2018).** Every murder is a matter of distress. Nevertheless the stabilisation of the figure at 30,000 is a mild assurance. The corresponding figure for the period in the U.S., a land notorious for lax gun laws and the liberal use of firearms to settle personal disputes, was around 16,200. Though the U.S. has about one-third of India's population, the reported decline in murders in many major U.S cities is worth studying. Crime against women should agitate every responsible citizen in the world. The common man in India does not lag behind others in reacting strongly to attacks on hapless women and men. The growth of the visual media possibly explains this welcome feature in Indian society. The nationwide outrage over the gang-rape of a woman in December 2012 in Delhi and the subsequent tightening of laws on sexual crimes generated the hope that attacks against women would decrease. This prognosis has only been partially realised. **In 2018, there were 33,356 rapes,** a higher number than the previous year. But these figures do not fully reflect realities on the ground. **There is still the unverifiable suspicion that while in urban areas sexual violence cases are reasonably well-reported, the story is different in rural India.** Money power and caste oppression are believed to play a significant role in under-reporting. It looks as if we may have to live with this unfortunate situation for many years to come. What is more significant is that a substantial number of such crimes are committed by the 'friends' and families of victims. To be fair to the NCRB, we must concede that the organisation has



more than justified its existence. The CII is used extensively by researchers. However, there is scope for more dynamism on the NCRB's part, especially in the area of educating the public on the realities of crime and its reporting. The NCRB will also have to be conscious of the expectation that it should bring greater pressure on States to make them stick to schedules and look upon this responsibility as a sacred national duty.

## Business & Economics

### The High Cost of Raising Trade Walls

→ India's international trade posture appeared to turn protectionist in the past week, with two indicators the government sent out. The first, which played out live on television was contained in the Union Budget announced by Finance Minister Nirmala Sitharaman on February 1. The other, that went virtually unnoticed, was that **India declined to attend a meeting of trade negotiators in Bali (February 3-4) that was discussing the next step in the Association of Southeast Asian Nations (ASEAN)-led Regional Comprehensive Economic Partnership (RCEP) trade agreement.** Laying out the Budget for the year, Ms. Sitharaman made several references to the problems with free trade and preferential trade agreements (FTAs and PTAs), raised tariffs on the import of more than 50 items, and changed the Customs Act provisions substantially to penalise imports suspected to originate from third countries. While the motive may be to protect Indian markets from dumping — primarily by Chinese goods — the consequence of the changes will be to put Indian importers on notice and discourage imports in general. Describing a new chapter incorporated into the Act, the Finance Minister said the aim is to put "certain obligations on importers", even as the government reserves the right to modify or cancel preferential tariffs and ban the import or export of any goods that it deems fit.

### Rise in Trade Deficits

The government's problem with FTAs was a key theme in its decision to walk out of the RCEP negotiations (of 16 countries) in November 2019, where Prime Minister Narendra Modi and members of his cabinet cited the rise in trade deficits with FTA partners. The government says it will now review all those agreements, in particular TAs signed with the 10-nation ASEAN grouping (FTA), Japan (Comprehensive Economic Partnership Agreement, or CEPA) and South Korea (CEPA), and wants to "correct asymmetry" in negotiations with new partners. This is easier said than done. If India makes a complete break with RCEP, as its absence from the Bali meeting indicates it is determined to, negotiating the bilateral trade agreements (TAs) will not be a priority for the other countries until RCEP is done. The process of legal scrubbing is likely to take most of the year, and any talks with India will probably only follow that. It is also hard to see any of them being able to offer India a better deal bilaterally once they are bound into the multilateral RCEP agreement. The case of the **Comprehensive Economic Cooperation Agreement (CECA) being negotiated with Australia**, which Mr. Modi hopes to give a boost to when Australian Prime Minister Scott Morrison visits, will be a difficult task, not the least due to its history. India and Australia began CECA talks in 2011. Mr. Modi and then-Australian Prime Minister Tony Abbott had even set a deadline of December 2015 to complete CECA. However, talks hit a dead end in September 2015. With the focus on RCEP, no progress has been made since then.



### Tough Road Ahead

A similar scenario awaits the announcement of the India-United Kingdom FTA talks. British Prime Minister Boris Johnson is to visit Delhi in the next few months, while Mr. Modi heads to the U.K. in November for an environmental summit, and their bilateral bonhomie is expected to boost chances of an FTA post-Brexit. However, it is unlikely that the U.K. will actually be able to talk until next year, after terms for the U.K.'s full withdrawal from the European Union (EU) are completed. For the same reason, India's talks with the EU for a Bilateral Trade and Investment Agreement (BTIA) are unlikely to make much headway this year, although they will be in the spotlight when Mr. Modi travels to Brussels for the EU-India summit next month. There, both sides will have to decide how to revive from where they left off in 2013. Making the negotiations harder is the government's decision to scrap all bilateral investment treaties with 57 countries including EU nations, and bringing in a new Bilateral Investment treaty (BIT) model in 2015. Only three countries: Kyrgyzstan, Belarus and most recently Brazil have agreed to sign a new investment treaty based on that model. Finally, there is the much-anticipated resolution of U.S.-India trade issues ahead of the visit of U.S. President Donald Trump, expected in the last week of February that could also talk on an FTA. At present there have only been some "non-paper" talks on the issue, and given that the U.S. has expressed deep misgivings about India's BIT model, these talks will also take several years to come to fruition.

### No Safety Net

While the absence of a TA with any country does not mean that trade will not grow, other changes in the world trading order may become significant hindrances when added to this present scenario. The decline of multilateralism, accelerated by retrenchment of the U.S. and China's intransigence have all meant the World Trade Organization (WTO) has lost steam as a world arbiter. This leaves states that are not part of arrangements without a safety net on dispute settlement mechanisms. Second, the government has invoked the massive \$57-billion trade deficit with China to explain protectionist measures, but it forgets its own trade surpluses with smaller economies, particularly in the neighbourhood, where Indian exports form more than 80% of total trade with Nepal, Bangladesh, Bhutan and Sri Lanka, respectively. Even with Pakistan, before India cancelled most favoured nation (MFN) status and Pakistan suspended all trade, in 2019, India's exports stood at about \$2.06 billion of a total of \$2.55 billion.

### Rise of Regional Agreements

Third, it is clear that most of the world is now divided into regional FTAs, including the North American Free Trade Agreement (NAFTA) for North America, the Southern Common Market (MERCOSUR for its Spanish initials) for South America, the EU, the Eurasian Economic Union (Russia and neighbours), the African Continental Free Trade Agreement (AfCFTA), the Gulf Cooperation Council (GCC) FTA in West Asia, and now the biggest of them all, RCEP, which minus India, represents a third of the world's population and just under a third of its GDP. With the door to RCEP all but closed, and the South Asian Association for Regional Cooperation (SAARC) virtually abandoned, India is not a part of any regional FTA. Finally, the trend across the world does not favour trade in services the way it does in goods, as most



countries have turned migration-averse. India's strength in the services sector and its demand for more mobility for Indian employees, is thus becoming another sticky point in FTA negotiations. The debate over trade is as much about India's leadership ambitions in the world, and the factors that could inhibit its rise. It would be hard to argue that India can rise in Asia without closer trade links with the East or the backing of South Asia. India's demographic might is certainly attractive for international investors, but only if that vast market has purchasing power and is not riven by social unrest and instability. Historically, the decline of colonial powers and more ancient empires can be traced to times when they turned inward and disengaged from foreign trade. It flows logically that in the modern, economically interconnected and technologically inseparable world, India's global rise cannot but be accompanied by an open mind on trade as well.

### What Finance Panel Has Said

- The appointment of the Fifteenth Finance Commission by the President of India under Article 280 of the Constitution was notified on November 27, 2017. It was required to submit the report by October 30, 2019 for five years for the period 2020-21 to 2024-25. However, due to various political and fiscal developments, notifications were issued first, on July 27 extending the tenure of the Commission up to November 30, 2019, and again on November 29 requiring it to submit two reports, one for 2020-21 and the second covering the period of five years beginning April 1, 2021 and further extending the tenure up to October 30, 2021. The first report submitted by the Commission was placed in Parliament by the Union Finance Minister before presenting the Union Budget on February 1, 2019.

### Basis for Extension

There were good reasons for extending the tenure of the Finance Commission as making medium-term projections in the current scenario would have entailed serious risks. First, the abolition of Statehood to Jammu and Kashmir required the Commission to make an estimation excluding the Union Territory. Second, the deceleration in growth and low inflation has substantially slowed down the nominal GDP growth which is the main tax base proxy; making projections of tax revenues and expenditures based on this for the medium term could have posed serious risks. Finally, poor revenue performance of tax collection and more particularly Goods and Services Tax combined with the fact that the compensation agreement to the loss of revenue to the States was effective only two years of the period covered by the Commission's recommendations posed uncertainties.

### In the Constitution

The Finance Commission is a constitutionally mandated body that decides, among other things, the sharing of taxes between the Centre and the states. Article 280 (1) requires the President to constitute, "within two years from the commencement of this Constitution and thereafter at the expiration of every fifth year or at such earlier time as the President considers necessary", an FC "which shall consist of a Chairman and four other members". Under Article 280(3)(a), the Commission must make recommendations to the President "as the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under this Chapter and the allocation between the States of the respective shares of such proceeds". Accordingly, the Commission determines



a formula for tax-sharing between the states, which is a weighted sum of the states' population, area, forest cover, tax capacity, tax effort and demographic performance, with the weights expressed in percentages. This crucial role of the Commission makes it instrumental in the implementation of fiscal federalism.

### 15<sup>th</sup> Finance Commission

The report of the Fifteenth FC, along with an Action Taken Report, was tabled in Parliament. The Commission has reduced the vertical devolution — the share of tax revenues that the Centre shares with the states — from 42% to 41%. The 1 per cent decrease in the vertical devolution is roughly equal to the share of the erstwhile state of Jammu and Kashmir, which would have been 0.85% as per the formula described by the Commission. The Commission has said that it intends to set up an expert group to initiate a non-lapsable fund for defence expenditure. The terms of reference of the Commission included considering the Centre's demand for funds for defence and national security. It may do so by creating a separate fund from the gross tax revenue before computing the divisible pool — which means that states would get a smaller share of the taxes.

### The Population Parameter

In addition to income distance, population and area and forest cover, it has used two additional factors — demographic performance and tax effort. It has assigned 15% weight to the 2011 population, reduced the weight of income distance to 45%, increased the weight to forest cover and ecology to 10% and 12.5% weight to demographic performance and 2.5% weight to tax effort. There was considerable controversy over the terms of reference of the Commission requiring it to use 2011 population in its formula by the States that had taken initiatives to arrest population growth. By keeping the weight of 2011 population at 15% and giving an additional 12.5% to demographic performance which is the inverse of fertility rate, the Commission has shown sensitivity to the concerns of these States. In terms of relative shares in tax devolution, among the major States the biggest loser is Karnataka followed by Uttar Pradesh, Kerala, Telangana and Andhra Pradesh. Kerala and Andhra Pradesh have post-devolution gaps and hence qualify for revenue gap grants. The major reason for Karnataka and Kerala losing on devolution is that their per capita income growth has been faster than most other States. The difference from the highest per capita income in both Karnataka and Kerala is just about 10% now as compared to 34% and 23%, respectively, for the two States when the Fourteenth Finance Commission made the recommendation. In the case of Karnataka and Telangana, as the projected transfer (devolution and revenue-gap grants) in 2020-21 were lower than 2019-20, the Commission recommended a special grant of Rs. 5,495 crore and Rs. 723 crores, respectively. However, the government has not accepted the recommendation and has asked the Commission to reconsider it.

The use of 2011 population figures have resulted in states with larger populations like Uttar Pradesh and Bihar getting larger shares, while smaller states with lower fertility rates (the number of children born to a woman in her life) have lost out. The combined population of the Hindi-speaking northern states (Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan and Jharkhand) is 47.8 crore. This is over 39.48% of India's total population, and is spread over 32.4% of the country's area, as per the 2011 Census. They also get a slightly more than the proportional share of the divisible pool of taxes (45.17%). On the other hand, the southern states of Tamil Nadu, Kerala, Karnataka and undivided Andhra Pradesh are home to only



20.75% of the population living in 19.34% of the area, with a 13.89% share of the taxes. This means that the terms decided by the Commission are loaded against the more progressive (and prosperous) southern states.

### The Demographic Effort

In order to reward population control efforts by states, the Commission developed a criterion for **demographic effort** — which is essentially the ratio of the state's population in 1971 to its fertility rate in 2011 — with a weight of 12.5%. States such as Kerala, Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana have fertility rates below the replacement rate, or the number of children that have to be born to a woman of reproductive age in order for the population to maintain itself at the current level without migration. However, the effect of the demographic effort in increasing states' devolution is not clear. Shares of states like Maharashtra, Himachal Pradesh and Punjab, along with Tamil Nadu, all of which have fertility rates below the replacement level, have increased slightly. On the other hand, Andhra Pradesh, Kerala, Karnataka, and West Bengal's shares have fallen, even though their fertility rates are also low. Incidentally, Karnataka, the biggest loser in this exercise, also had the highest tax-GSDP ratio in 2017-18, as per an RBI report on state finances. Tax effort was also used by the Commission to decide the states' shares, with a weight of 2.5%.

### Income Distance Criterion

The total area of states, area under forest cover, and "income distance" were also used by the FC to arrive at the tax-sharing formula. *Income distance is calculated as the difference between the per capita gross state domestic product (GSDP) of the state from that of the state with the highest per capita GSDP, with states with less income getting a higher share in order to allow them to provide services comparable to those provided by the richer ones.* The Commission used the per capita GSDP of Haryana as the reference for calculating the income distance, and gave it a weight of 45%, down from the 50% assigned by the 14<sup>th</sup> FC. The weight assigned to state area was unchanged at 15%, and that of forest cover was increased from 7.5% to 10%.

### Local Body Grants

The recommended grants for local bodies amount to ₹90,000 crore comprising ₹60,750 crore for panchayats and the remaining ₹29,250 crore for municipal bodies. All the three layers of panchayats will receive the grant and 50% of the grant is tied to improving sanitation and supply of drinking water; the remaining is untied. In the case of municipal bodies, ₹9,229 crore is allocated to cities with a million-plus population and the remaining ₹20,021 is allocated to other towns. In the case of disaster relief, the Commission has recommended the creation of disaster mitigation fund at the Central and State levels. For disaster management, a total of ₹28,183 crore has been determined of which the Central contribution will be ₹22,184 crore. Inter-State allocation is made based on past expenditures, area and population and disaster risk index. The Commission has worked out a framework for giving some sectoral grants as well. For 2020-21, it has recommended ₹7,735 crore for improving nutrition based on the numbers of children in the 0-6 age group and lactating mothers. In the main report, it has proposed to give grants for police training, modernisation and housing, railway projects in States taken on a cost-sharing basis, maintenance of the Pradhan



Mantri Gram Sadak Yojana roads, strengthening the judicial system, and improving the statistical system. The States are required to prepare the necessary grounds. It has also presented a broad framework for recommending monitorable performance grants for agricultural reform, development of aspirational districts and blocks, power sector reform, and incentives to enhance trade including exports and pre-primary education. The challenge, however, will be to design and dovetail sectoral and performance grants with the existing plethora of central sector and centrally sponsored schemes.

However, the **increase in the percentage of outcome-tied funds to 50%, from 10%**, could prove vexing to the last mile providers of basic services in India's federal and highly fragmented structure of governance. The commission has also been justifiably critical of the Union and State governments' tendency to finance spending through off-budget borrowings and via parastatals. It has done well to ask that such extra-budgetary liabilities be clearly earmarked and eliminated in a time-bound manner.

## Monetary Policy

→ The humble onion almost halted the onward march of the Reserve Bank of India (RBI) in its endeavour to bring down financial costs in the economy. Almost, because the RBI, despite finding its hands tied by rising inflation thanks to onion prices, found other means to drive down interest rates in the market, and in the system, in its monetary policy announcement. At the press conference after the announcement, Governor Shaktikanta Das declared, only half in jest, that the proceedings of the Monetary Policy Committee, which decided to hold rates, had already been discounted by the market. "But don't discount the RBI," he warned, pointing out that the central bank had at its disposal various instruments. True to the statement, the RBI unleashed several measures that had an electric effect on the markets, driving down bond yields by 10-20 basis points in a matter of a minutes. **The exemption to banks from providing for cash reserve ratio on fresh retail loans disbursed after January 31 to purchase automobiles and residential houses, and to MSMEs, will help banks shave off a part of their costs.** The hope is that they will pass on at least a part of that saving to borrowers as lower rates. Second, the introduction of **one- and three-year term repos at policy rate of 5.15%** for a total of ₹1 lakh crore is also aimed at prodding rates downward as banks now pay 6%-6.5% on deposits. Third, the RBI has fine-tuned its liquidity management process in a manner designed to help banks manage their interest costs better. Whether banks really do what the RBI has signalled to them — transmit lower rates to borrowers — depends on various factors, not the least of which is demand for credit. The RBI's statement that it would maintain an accommodative stance "as long as necessary to revive growth" clearly signals its commitment to growth. By explicitly saying that there is "policy space available for future action", the RBI has signalled that there could be at least one more cut in the months ahead in this rate-easing cycle. The decision to extend the one-time restructuring of MSME loans, linking pricing of loans to medium enterprises to an external benchmark, and the nod for permitting extension of date of commencement of commercial operations for loans to commercial real estate are all welcome measures that raise questions of excessive forbearance but will certainly help the industry. The inflation projection — 6.5% in the current quarter and 5.4%-5.0% in the first half of 2020-21 — reflects the current realities. The projected GDP growth of 6% for 2020-21 appears achievable, assuming that the nascent signs of recovery sustain. The RBI has gone on the front foot to boost growth in this policy after the conservative Budget presented last week. It is to be hoped that these steps will change the sentiment in the economy.





## Cooperative Banks to Come Under Reserve Bank Regulation

- In the wake of the recent Punjab & Maharashtra Cooperative (PMC) Bank crisis, the Union Cabinet approved amendments to the Banking Regulation Act to bring 1,540 cooperative banks under the Reserve Bank of India (RBI) regulation. Cooperative banks have 8.6 lakh account holders, with a total deposit of about ₹5 lakh crore. Union Minister Prakash Javadekar told reporters that administrative matters would continue to be under the Registrar, Cooperative. However, cooperative banks would be regulated under the RBI's banking guidelines. Their auditing would also be done as per its norms. Qualifications would be laid down for appointments, including that of Chief Executive Officers. Prior permission from the RBI would be required for the appointment of key positions. The regulator would deal with issues such as loan waivers. The RBI would also have powers to supersede the board of any cooperative bank in financial distress. These measures would be implemented in a phased manner, said Mr. Javadekar. The proposed amendments, along with the government's decision to increase the insurance cover on bank deposits from ₹1 lakh to ₹5 lakh, have been brought to strengthen the financial stability of cooperative banks and boost public confidence in the banking system. In the PMC Bank case, the RBI had to step in last year after massive irregularities in its loan accounts were detected. The regulator had to place a withdrawal limit for account holders, which led to a major public strife and protests by them.

## Deposit Insurance Cover Raised To ₹5 Lakh

- The government has decided to increase the insurance cover for bank deposits to ₹5 lakh from ₹1 lakh, Finance Minister Nirmala Sitharaman said in her Budget speech. This is the first time since 1993 that the deposit insurance cover has been raised. The Finance Minister assured that there was a robust mechanism in place to monitor the health of all Scheduled Commercial Banks and that depositors' money was safe. The clamour for higher cover for bank deposits grew stronger following the Punjab and Maharashtra Cooperative Bank crisis, where depositors are facing restrictions on deposit withdrawals. The RBI imposed the restrictions following financial irregularities at PMC Bank. At present, the withdrawal from the bank is capped at ₹50,000. The Deposit Insurance and Credit Guarantee Corporation (DICGC) had proposed to increase the deposit insurance limit to the ₹3-5 lakh range following the crisis at PMC Bank. The DICGC Act will have to be amended to increase the deposit cover. The increase in deposit cover will increase the cost for the banks. "The increase on deposit insurance to ₹5 lakh will increase bank premia costs to these institutions," Abizer Diwanji, Partner & Leader Financial Services - EY India, said. The present premium rate is 10 paise for a deposit of ₹100. The premium paid by the insured banks to the DICGC is required to be borne by the banks themselves and is not passed on to the depositors. The DICGC insures all bank deposits such as savings, fixed, current and recurring. Deposits not covered by the Corporation include those of foreign governments and of Central/ State governments, deposits of State Land Development Banks with State cooperative banks, inter-bank deposits, deposits received outside India and those specifically exempted by the DICGC with the prior approval of the banking regulator.

## Funding for Museums to Promote Tourism

- In her Budget speech, Finance Minister Nirmala Sitharaman announced a series of steps to set up and renovate museums to promote tourism. As part of this, she announced an

Shatabdi Tower, Sakchi, Jamshedpur



allocation of ₹3,150 crore to the Ministry of Culture for the maritime museum coming up at **Lothal** in Gujarat. Ms. Sitharaman said five archaeological sites would be developed as iconic sites with on-site Museums. They are: **Rakhigarhi (Haryana), Hastinapur (Uttar Pradesh) Sivasagar (Assam), Dholavira (Gujarat) and Adichanallur (Tamil Nadu)**. Prime Minister Narendra Modi had announced re-curation of the Indian Museum in Kolkata, which is the oldest in the country. Towards this, Ms. Sitharaman said, in the historic **Old Mint building in Kolkata**, a museum on Numismatics and Trade will also be located. India has moved up from rank 65 in 2014 to 34 in 2019 in the World Economic Forum's Travel and Tourism Competitive Index. Foreign exchange earnings grew 7.4% to ₹1.88 lakh crore for the period January to November 2019, from ₹1.75 lakh crore, she added. Mr. Modi laid the foundation stone for the maritime museum at Lothal in March last year. The project is being implemented by the Ministry of Shipping through its SagarMala programme, with the involvement of the Archaeological Survey of India (ASI), the Indian Navy, the Gujarat State government, and other stakeholders.

### FM Proposes Kisan Rail in PPP mode

→ Even as Finance Minister Nirmala Sitharaman proposed to set up a '**Kisan Rail**' through the **public-private-partnership (PPP)** mode for a cold supply chain to **transport perishable goods** in her Budget speech, the Railways said nine such refrigerated vans were already available on its network. Railway Board Chairman V.K. Yadav said these vans, with a carrying capacity of 17 tonnes each for transportation of highly-perishable parcel traffic, were developed and procured through the Rail Coach Factory at Kapurthala. Mr. Yadav also said temperature-controlled perishable cargo centres were commissioned at Ghazipur Ghat (U.P.), New Azadpur (Adarsh Nagar, Delhi) and Raja ka Talab (U.P.) as a pilot project under the Kisan Vision Project by Container Corporation of India Limited (CONCOR) through a CSR (Corporate Social Responsibility) initiative. Another project is under construction at Lasalgaon in Maharashtra's Nasik. Approval has been granted to the Central Railside Warehousing Corporation to develop temperature-controlled storage facilities at Fatuha and Mancheswar. Cold storage facility has also been developed at Dadri. "The Fresh and Healthy Enterprise Limited (FHEL) has been redeveloped as the Agriculture Logistics Centre at Rai, Sonapat. This facility is CONCOR's 100% owned subsidiary, developed on a land measuring 16.4 acres," Mr. Yadav said. He added that 98 reefer (ventilated, insulated) rail containers with a carrying capacity of 12 tonnes per container were procured through CONCOR for movement of fruits and vegetables to different parts of the country. Perishable goods like fruits, vegetables, dairy products, fish and meat need to be carried in such temperature-controlled vans. The proposal to use refrigerated parcel vans to ferry perishables was first announced by then Railway minister Mamata Banerjee in the 2009-10 Budget. However, it failed to take off.

### Green Signal for More Private Trains

→ Union Finance Minister Nirmala Sitharaman proposed a budgetary allocation of ₹70,000 crore for the Indian Railways, with overall capital expenditure of ₹1.61 lakh crore for the next financial year in the Union Budget. While the capital expenditure for **2020-21 saw an increase of a mere 3% from ₹1.56 lakh crore (revised estimates) for 2019-20**, the Budget promises increased investment for passenger amenities and safety-related works, including track renewals, level crossings and road over/under bridges. The ₹1.61 lakh crore outlay comprises ₹70,000 crore from budgetary support, ₹250 crore from the Nirbhaya Fund, ₹7,500 crore from

**Shatabdi Tower, Sakchi, Jamshedpur**



Internal Resources and ₹83,292 crore from Extra Budgetary Resources. The government expects its revenue receipts to increase by ₹23,880 crore to ₹2.25 lakh crore. In the next fiscal, the Indian Railways expects earnings from passengers to grow to ₹61,000 crore from ₹56,000 crore in 2019-20, and from goods to grow by more than ₹12,000 crore to ₹1,47,000 crore. **The operating ratio, which was envisaged to be 95% in BE 2019-20 and revised to 97.46% in RE 2019-2020, is expected to be 96.2% in 2020-21. An operating ratio of 96.2% means that the Railways is spending 96.2 paise to earn 100 paise.** Finance Minister Nirmala Sitharaman during her Budget Speech proposed setting up a large solar power capacity alongside the rail tracks, on the land owned by the railways, besides re-development of four stations, operation of 150 passenger trains via public-private partnership mode and introduction of more Tejas type trains to iconic tourist destinations. Ms. Sitharaman also proposed a 148-km Bengaluru suburban transport project at a cost of ₹18,600 crore, which would have fares on the metro model. The Railway Board has said that the third 'corporate' train to be run by IRCTC will run between Indore and Varanasi, and is likely to begin operations mid-February. The overnight train, which will have the same rakes as those of the Humsafar Express, will run three days a week — two days via Lucknow and one day via Allahabad. While the first two trains operated by IRCTC (on the Delhi-Lucknow and Ahmedabad-Mumbai routes) were chair cars, this one will have sleeper coaches.

### Private Players Allowed to Set Up Data Parks

- Finance Minister Nirmala Sitharaman announced an allocation of ₹6,000 crore under the **BharatNet** programme to enhance broadband connectivity in rural areas, while also proposing a new policy to allow private players to set up data parks in the country. "Our vision is that all 'public institutions' at the gram panchayat level, such as anganwadis, health and wellness centres, government schools, PDS (public distribution system) outlets, post offices and police stations will be provided with digital connectivity. So, Fibre to the Home (FTTH) connections through BharatNet will link 100,000-gram panchayats this year. It is proposed to provide ₹6,000 crore to the BharatNet programme in 2020-21," the Minister said during her speech. New technologies such as analytics, machine learning and artificial intelligence (AI) found a lot of emphasis in Budget 2020. Stating that "data is the new oil" was now a cliché, the Minister said that to take advantage of the way new technologies were changing everyone's lives, the government would "soon bring out a policy to enable the private sector to build Data Centre parks throughout the country". "It will enable our firms to skilfully incorporate data in every step of their value chains," she said. The Minister also highlighted the growing need for the Indian statistical system to meet the challenges of real-time monitoring of our increasingly complex economy. "Data must have strong credibility. The proposed new National Policy on Official Statistics would use latest technology, including AI. It would lay down a road map towards modernised data collection, integrated information portal and timely dissemination of information," she said. The new economy, she said, was based on innovations that disrupt established business models. AI, the Internet of Things, 3D printing, drones, DNA data storage, quantum computing, etc., were re-writing the world economic order. "India has already embraced new paradigms such as the sharing economy with aggregator platforms displacing conventional businesses. The government has harnessed new technologies to enable direct benefit transfers and financial inclusion on a scale never imagined before," Ms. Sitharaman said.



## Major Cut in Financial Allocation for Nepal

- The Union Budget has made a major reduction in the annual allocation for financial assistance to Nepal. Apart from Nepal, aid to African countries has also been reduced. The 2019-20 Budget had allocated ₹1,200 crore to projects in Nepal but Saturday's numbers show that India has allocated only ₹800 crore to the projects under way in Nepal for 2020-21. The development is likely to cast a shadow on the work that India partners in the crucial Himalayan neighbour which has in recent months showed warmth towards China. The Budget also showed substantial reduction for "other developing countries" that will now receive ₹120 crore compared to last year's allocation of ₹150 crore. Similar reduction was also noticed in the African department where ₹350 crore has been allocated for next year in comparison to last year's ₹450 crore. Allocation for Latin American countries has increased and currently ₹20 crore will be spent on diplomacy with the region which is a favoured area of new Foreign Secretary Harsh Vardhan Shringla. The figure for Sri Lanka has also been trimmed from previous year's ₹205 crore to ₹200 crore. Disaster relief, a chosen area of the Modi government, has also received a jolt with only ₹20 crore being allocated compared to last year's ₹30 crore. Bhutan, the usual recipient of the largest share of Indian aid, continues in the top rung with ₹2,884.65 crore. Financial support for Afghanistan continues to remain the same at ₹400 crore.

## FM Proposes A Set of Reforms to Deepen Bond Market

- As part of reforms for the financial markets, especially the bond market, the government has proposed increasing the investment limit for foreign portfolio investors (FPIs) in corporate bonds, opening certain government securities for non-resident investors and launching a new debt exchange traded fund (ETF) comprising primarily of government securities. Finance Minister Nirmala Sitharaman on Saturday proposed that the limit for FPIs' purchases of corporate bonds, currently capped at 9% of outstanding stock, would be increased to 15% of the outstanding stock. The Minister also proposed to float a new debt ETF consisting primarily of government securities. The Bharat Bond ETF, introduced in December, raised more than ₹12,000 crore, against its issue size of ₹7,000 crore. Bharat Bond ETF invests in AAA rated bonds issued by public sector companies. The Minister also proposed opening specified categories of government debt securities for non-resident investors. Separately, the Budget proposes amending the relevant laws to extend commodity transaction tax on products introduced in the commodity derivatives markets late last year.

## Govt to Sell Part of Its Stake in LIC via IPO

- The government is yet to take a call on the quantum of its stake to be offloaded from the Life Insurance Corporation of India (LIC), whose stock market listing was announced by Finance Minister Nirmala Sitharaman in the Budget. Financial sector disinvestment is expected to yield around ₹90,000 crore of the government's ambitious target to raise ₹2.1 lakh crore from PSU privatisation and stake sales, Department of Investment and Public Asset Management Secretary Tuhin Kanta Pandey told The Hindu. The ₹90,000-crore target factors in proceeds from LIC's initial public offer and the sale of the government's 47% residual stake in IDBI Bank, but doesn't necessarily preclude more financial entities being added to the disinvestment queue during the coming year. "There could be legal hurdles to cross as well, such as the need for possible amendments to the LIC Act, 1956,". Asked whether the sovereign guarantee enjoyed by the LIC policyholders would persist after its listing, Ms.



Sitharaman said: "We've only said it will be an IPO. We've not given the complete ownership to somebody." The expressions of interest for BPCL will "come very soon", said Mr. Pandey, adding that **the sale of three big companies — BPCL, Concor and Shipping Corporation of India — might be concluded by the first half of 2020-21**. While ₹35,000 crore has been raised so far, Mr Pandey was confident of meeting the revised disinvestment target of ₹65,000 crore over the remaining two months of this fiscal.

### No More Double Taxation on Dividends

- The government fulfilled a long-standing demand of the capital markets when it proposed scrapping the dividend distribution tax (DDT) that is levied on companies. **Dividend will now be taxed only in the hands of the investors**. This would come as a relief for companies and capital market participants who have been lobbying hard for the removal of DDT at the company level, which, they felt led to double taxation as such payouts are also taxed at the investor level. **Currently, companies are required to pay 15% tax plus applicable surcharge and cess on the dividends. Further, investors that receive more than ₹10 lakh as dividend in a financial year have to pay 10% tax on such income**. The removal of DDT would lead to estimated annual revenue forgone of ₹25,000 crore. More importantly, **the government has also done away with the additional 10% tax on investors and the dividend will now be only taxed at the applicable tax rate based on the income slab of the individual**. "Impact on taxation of large retail investors may be negative, as dividend is expected to be taxable at the maximum slab rate in their hands. The effective tax rate for individuals falling in highest tax slabs is 42.74% i.e. there will be an additional burden of 28.492%," explained Mr. Shah.

### Why Govt Has Lifted A Duty That Polyester Makers Paid on A Chemical

- During her Budget speech, Finance Minister Nirmala Sitharaman said the government was abolishing in "public interest" an anti-dumping duty that was levied on imports of a chemical called PTA. Domestic manufacturers of polyester have called the move a huge relief for the industry, claiming they had been fighting to remove the duty for four-and-a-half years.

#### What is PTA?

**Purified Terephthalic Acid (PTA)** is a crucial raw material used to make various products, including polyester fabrics. PTA makes up for around 70-80% of a polyester product and is, therefore, important to those involved in the manufacture of man-made fabrics or their components, according to industry executives. This includes products like polyester staple fibre and spun yarn. Our cushions and sofas may have polyester staple fibre fillings. Some sportswear, swimsuits, dresses, trousers, curtains, sofa covers, jackets, car seat covers and bed sheets have a certain proportion of polyester in them.

She had said easy availability of this "critical input" at competitive prices was desirable to unlock "immense" potential in the textile sector, seen as a "significant" employment generator. The duty had meant importers were paying an extra \$27-\$160 for every 1,000 kg of PTA that they wanted to import from countries like China, Taiwan, Malaysia, Indonesia, Iran, Korea and Thailand. Removing the duty will allow PTA users to source from international markets and may make it as much as \$30 per 1,000 kg cheaper than now, according to industry executives.



### Why Was It Imposed in The First Place?

The anti-dumping duty on PTA was imposed after two domestic manufacturers, MCC PTA India Corp Pvt Ltd and Reliance Industries Ltd, approached the Directorate General of Trade Remedies (DGTR) in October 2013. The companies, which submitted that they accounted for over 50% of the domestic PTA industry, had argued that some countries had been exporting the product to India at prices lower than its value in their own domestic markets. This dumping of PTA into the Indian market had a “significant” adverse impact on the domestic industry, they argued. Following an investigation, DGTR agreed with MCCPI and RIL’s claims, and imposed anti-dumping duties on PTA imported from South Korea and Thailand in 2014 and 2015, and from China, Indonesia, Taiwan, Iran and Malaysia in 2015 and 2016.

### Why Was the Move Controversial?

Companies using PTA to manufacture polyester products claimed that the move went against the government’s vision of making the textiles sector a globally competitive industry. According to them, the move left them with limited domestic suppliers of PTA. The companies had alleged that the product’s cost had become more expensive domestically, which made their own products pricier and less attractive for their domestic and international buyers. This had led to a drop in exports of some of these products during 2014-16, and an increase in imports of the products they had been producing, as there was no safeguard against imports of cheaper versions of these downstream polyester-based products. On top of this, the domestic industry had argued that domestic PTA producers had not only been unable to ramp up capacity to cater to demand for the product, shutdowns of their manufacturing facilities once a year for maintenance purposes had also led to shortages of the raw material. PTA users claim that they had not been manufacturing as much polyester as they were capable of, operating at 70% of their capacity at any given time.

### Are There Other Raw Materials in Line for A Similar Move?

Mono Ethylene Glycol (MEG), another raw material used in the manufacturing of polyester, is currently the subject of another anti-dumping duty investigation initiated by DGTR recently. This investigation was initiated after RIL, supported by another company (India Glycols Ltd) had argued that top MEG exporters like Kuwait, Saudi Arabia, Singapore and the United Arab Emirates had been dumping the product and that the domestic industry was suffering “material” injury as a result. An association representing textile companies like Indo Rama Synthetics India Ltd, Filatex India Ltd and Bombay Dyeing has approached DGTR against the move, arguing that anti-dumping duties on MEG would adversely impact the textile industry the way the duty on PTA allegedly did.

### FinMin Offers Opt-In Income Tax Scheme to Boost Demand

- Aimed at spurring consumption demand and offering relief to taxpayers, especially those from the middle class, Finance Minister Nirmala Sitharaman proposed a personal income tax regime with reduced rates for those earning up to ₹15 lakh. The tax rate for those earning between ₹5 lakh and ₹7.5 lakhs have been lowered from 20% to 10%, and for incomes between ₹7.5 lakh and ₹10 lakh to 15% from 20%. Similarly, tax rates have been lowered from 30% to 20% for those earning between ₹10 lakh and ₹12.5 lakh, and to 25% for those with incomes from ₹12.5 lakh to ₹15 lakh. Tax payers can, however, opt for the new rates if they



give up almost all tax exemptions and deductions they enjoy under the current regime, akin to the conditional tax rate cuts announced for corporates last September. Revenue Secretary Ajay Bhushan Pandey said even those opting for the lower rates will retain tax benefits on pay-outs at the time of retirement such as gratuity, employees' PF and NPS accumulations, employers' contributions to EPFO, the National Pension System or superannuation payments (up to ₹7.5 lakh), and amounts received on VRS (up to ₹5 lakh). But most exemptions used by salaried employees on account of leave travel allowance, house rent allowance, housing loan repayments, savings instruments such as PPF and LIC, as well as the standard deduction will cease to be available. The Finance Minister said this could result in savings of ₹78,000 for someone earning ₹15 lakh and not availing any incentives in the existing regime. Tax practitioners noted that the new regime would only be attractive for non-salaried taxpayers or those who don't avail any exemptions as of now. For many taxpayers who avail benefits, the difference in tax outgo may not be substantial. "It is almost impossible for a taxpayer to comply with the income tax law without taking help from professionals," the Minister said. However, most individuals may still need accountants' help to determine if moving to the lower tax rates would benefit them. The Finance Bill also proposed three major changes to prevent tax abuse by citizens who don't pay taxes anywhere in the world.

- Ms. Sitharaman expounded on three themes — **aspirational India (a better life for all), economic development for all (yielding more space for the private sector) and creating a caring society** — in her record-breaking speech of more than two-and-a-half hours, aimed at boosting incomes and purchasing power.
- Taking a cue from the Economic Survey, which dwelt at length on India's ancient economic prowess, Ms. Sitharaman cited the guilds of Saraswati-Sindhu civilisation and the Harappan seals (of 3300 BCE) and commerce and trade-related words **deciphered from Indus hieroglyphs that show India** has been rich in skills and trade for millennia.

### How Govt Aims to Reduce Direct Tax Litigation

- When the government introduced **The Direct Tax Vivad se Vishwas Bill, 2020**, it led to an uproar in Parliament. Leaders of the Congress criticised the Bill first for the use of Hindi words in its name, arguing that this was government's way to impose Hindi on the non-Hindi speakers, and also argued that the Bill treats honest and dishonest people equally.

#### What Is the Bill Is About?

In essence, the Bill is aimed at resolving direct tax related disputes in a speedy manner. In her Budget speech on February 1, Finance Minister Nirmala Sitharaman had said that "in the past our Government has taken several measures to reduce tax litigations. In the last budget, Sabka Vishwas Scheme was brought in to reduce litigation in indirect taxes. It resulted in settling over 1,89,000 cases". She then unveiled the Vivad se Vishwas Scheme, which was to do for direct tax related disputes exactly what Sabka Vishwas did for indirect tax related disputes. According to the Finance Minister, at present there are as many as "4,83,000 direct tax cases pending in various appellate forums i.e. Commissioner (Appeals), ITAT, High Court and Supreme Court". The idea behind the scheme is to reduce litigation in the direct tax arena.



### What Are the Specifics of The Scheme?

The Finance Minister had clarified that “under the proposed Vivad Se Vishwas scheme, a taxpayer would be required to pay only the amount of the disputed taxes and will get complete waiver of interest and penalty provided he pays by 31<sup>st</sup> March, 2020. Those who avail this scheme after 31<sup>st</sup> March, 2020 will have to pay some additional amount”. However, **the scheme will remain open only till June 30, 2020**. The scheme also applies to all case appeals that are pending at any level.

### How Much Money Is at Stake?

**According to reports, over ₹9 lakh crore worth of direct tax disputes are pending in the courts.** The government hopes to recover a big chunk of this in a swift and simple way, while offering the taxpayers the relief of not having to fight the case endlessly. For a government that is staring at a big shortfall in revenues, especially tax revenues, the scheme makes a lot of sense.

### What Was the Response to The Sabka Vishwas Scheme?

At last count, the government expected to have raised ₹39,500 crore from the Sabka Vishwas scheme, which was only about indirect tax disputes. The amnesty window for Sabka Vishwas closed on January 15 and close to 1.90 lakh crore applications, in relation to taxes worth ₹90,000 crore were received. One of the standout successes of this scheme was Mondelez India Foods Pvt Ltd (which was earlier known as Cadbury India) settled one of its most controversial tax disputes, pertaining to its alleged plant in Baddi, Himachal Pradesh, with the government under this scheme. The firm was accused of evading taxes to the tune of ₹580 crore (excluding taxes and penalties). In the end, Mondelez paid ₹439 crore on January 20 under the amnesty scheme.

### Has the Government Responded to The Opposition for Its Criticism of The Name of The Scheme in Hindi?

The official name of the Bill is Direct Tax Vivad Se Vishwas Bill. However, in her Budget speech, the Finance Minister had mentioned the English name of the scheme — **No Dispute, But Only Trust**. She said the name has nothing to do with imposing Hindi.

### Complicating The Tax Regime Further (Mohan Kumara Mangalam - Working President Of Tamil Nadu Congress Committee)

- As the country waited with bated breath for any signs of demand stimulation in this year’s Budget, **Finance Minister Nirmala Sitharaman delivered the longest Budget speech in the history of independent India**. Her weakest punch was reserved for the last round, at which point we were just happy to exhale. Three quarters of the way into her speech, Ms. Sitharaman announced what she claimed was a move to provide significant relief to individual taxpayers by simplifying the income tax law. The relief, she said, will be in the form of lower tax rates for which individuals will have to give up on the exemptions they enjoy under the existing regime. The simplification of the income tax law, the Finance Minister said, will benefit both the assesseees and the assessors. In essence, the government decided to give a small section of taxpayers an opportunity to pocket more money, in the process





hoping that they will give up on their savings instruments such as the Public Provident Fund and various life insurance products, and also abandon their investment in what in India is viewed as a safe haven asset — real estate. The question that arises here is: Does the new tax regime really put more money into the hands of taxpayers? Taking the case of a typical taxpayer who is not a homeowner — considering that the new regime does not provide any exemption on interest on home loans — it is clear that in a majority of cases, the regime will leave the individual poorer. That said, there may be a few cases, as in the case of salaried personnel without any exposure to standard investments, where the new system might be of some benefit.

### Left Worse on Both Counts

The second part of Ms. Sitharaman's value proposition was that the new system would provide relief to taxpayers who, she said, have struggled with a cumbersome process, with more than 100 exemptions. The Minister's claims would have held true had the older system been discontinued altogether. Instead, what she delivered leaves taxpayers with double the amount of work — they now also have to compare the two systems and make a decision on which one is more favourable for them. Another factor complicating the taxpayers' filing process is that it isn't clear now which exemption will be scrapped in the near term and which one will continue in the long term. The new system, therefore, leaves taxpayers worse on both counts. The more concerning issue with the new tax system has two elements. One, it marks a departure from a scenario where the state used direct taxes and exemptions to incentivise investment in key sectors; this the new regime does without providing an equally effective mechanism on the indirect taxation front. An example of the latter would have been an exemption on the purchase of electric vehicles, with the goal of reducing our dependence on fossil fuels. Similarly, an increase in incentive for home ownership would have provided a sagging real estate sector with some much-needed fillip. It is ironic that the government, while disincentivising investment in insurance on the one hand, is also attempting to publicly sell stakes in India's largest insurance provider on the other hand. The second important issue with the new tax system is that it removes all incentives to save in an economy that is already seeing a steady decline in our household savings rate, fuelled by unemployment. Nobel-winning behavioural economist Richard Thaler, a favourite of Narendra Modi and who applauded the Prime Minister for his work on Swachh Bharat, has worked extensively on encouraging Americans to save for retirement. It was his research that persuaded American lawmakers to reform the retirement scheme. This change encouraged employers to enrol workers automatically for the retirement savings plan, increasing participation rates among young American workers. Our government seems to be encouraging the young taxpayers to do the opposite. Finally, it was disappointing that the Budget gave such a disproportionate emphasis on tax reform, considering the fact that taxpayers constitute hardly 2.5% of the population. With 60% of the population engaged in agriculture and allied activities, any real demand stimulation would have had to begin with the rural sector. Hence, the low allocation for the Mahatma Gandhi National Rural Employment Guarantee Scheme and PM-KISAN was unfortunate.

### Why Budget Proposal on Tax on Indians Working Abroad Triggered Confusion

→ An amendment to the Income Tax Act proposed in the Finance Bill 2020, has created confusion about Indians who primarily work and earn their living outside India. The broad

Shatabdi Tower, Sakchi, Jamshedpur



import of the amendment, as understood on February 1, was that all Indians who were working abroad and not paying any income tax in those countries — like the many Indians who work in jurisdictions like the UAE — would be liable to be taxed in India. Kerala Chief Minister Pinarayi Vijayan wrote to Prime Minister Narendra Modi recording his government's "strong disagreement" with the provision, which he said "will hurt those who toil and bring foreign exchange to the country". On February 2, the Finance Ministry issued a clarification, and Finance Minister Nirmala Sitharaman sought to reassure non-resident Indians that they would not be unfairly targeted.

### What Is the Existing Law?

Two parameters determine whether India levies income tax on an individual. The first is "residency". Unlike in the United States where citizenship also implies residency, in India, residency requires a person to actually live in the country for a specified number of days in a year. The other parameter is the "source" of the income — the country where the income is being generated. The difference between the treatment of a resident and non-resident Indian citizen is that **for a resident Indian citizen, the income tax law applies to that person's worldwide income — that is, any income earned in any jurisdiction is used to calculate the taxable income**, and such a resident Indian is required to pay tax on all of it. But **for a non-resident Indian, the income tax law applies only to the income earned from within India. As such, if an Indian national life in New Delhi but earns rental income from a house she owns in London, then, along with all other income that she earns within India, this rental income too, will attract tax**. However, if an Indian citizen stays and works in London — making her a non-resident Indian — and additionally earns a rental income from a home in Delhi, then the Indian income tax would apply only to the rental income from that Delhi home. This difference between residents being taxed on their global income and non-residents being charged only on their "Indian" income lies at the heart of the confusion.

### What Is the Amendment Proposed by The Government?

The proposed amendment to the IT Act has three parts. The first cuts the number of days that an Indian citizen can stay in India without becoming a "resident", to 120 from 182. The Memorandum to the Budget said this provision was being misused: "Individuals, who are actually carrying out substantial economic activities from India, manage their period of stay in India, so as to remain a non-resident in perpetuity and not be required to declare their global income in India." The second impacts the "Not Ordinarily Resident" category of taxpayers. The Memorandum has clarified that "this category of persons has been carved out essentially to ensure that a non-resident is not suddenly faced with the compliance requirement of a resident, merely because he spends more than specified number of days in India during a particular year." Imagine now an NRI who has stayed out of India for the past seven years and then spends 183 days at one stretch in the eighth year. The NOR status ensures that such an individual, who is "not ordinarily a resident" is not taxed as a resident. The amendment states that a NOR would be someone who has not been a resident of India for seven of the past 10 years. Under the existing law, it is nine out of the past 10 years. The third proposed amendment is the one that created the confusion. This amendment said: "An Indian citizen who is not liable to tax in any other country or territory shall be deemed to be resident in India."



### What Is the Problem with This?

The amendment was seen as trying to tax non-residents as residents. As mentioned above, residents are charged income tax on their full global income while non-residents are charged only on their "Indian" income. This led to panic because, in the absence of clarifications, all non-residents working in tax-free jurisdictions concluded that all their income in those jurisdictions will now attract the Indian income tax rate. Apart from the likely harassment, this undermined the whole point of people leaving their homes in India to work in tax-free jurisdictions.

### Why Did the Government Propose This?

The government has clarified that its intention is not to target bona fide workers, rather to catch tax evaders who game the residency provisions to evade all taxes. "The issue of stateless persons has been bothering the tax world for quite some time. It is entirely possible for an individual to arrange his affairs in such a fashion that he is not liable to tax in any country or jurisdiction during a year. This arrangement is typically employed by high net worth individuals (HNWI) to avoid paying taxes to any country/jurisdiction on income they earn. Tax laws should not encourage a situation where a person is not liable to tax in any country," said the Memorandum to the Budget. Following the clarification, the government would be expected to now tweak the proposed amendment.

### The Rising Defence Pension Bill

- The Union Budget for 2020-21 has allocated ₹1,33,825 crore to defence pensions. This is up by 10½ times in a decade and a half, from ₹12,715 crore in 2005-06.

### The Numbers in Context

The allocation of ₹1,33,826 crores is 4.4% of the total expenditure of the central government or 0.6% of GDP. And of the overall allocation made to the Defence Ministry, 28.4% goes towards pensions. So sharply has the bill for defence pensions gone up that it is now ₹15,291 crore more than the Defence Ministry's total capital expenditure, a bulk of which goes towards modernisation of the armed forces. It now nearly equals the salaries bill for Defence Ministry. The more the government spends on salaries and pensions, the less it can spend on modernising the armed forces. To compare it with other sectors, the government's rural employment scheme MGNREGA has an allocation of only ₹61,500 crore — 46% of the bill for defence pensions. The Prime Minister's flagship Swachh Bharat gets ₹12,300 crore. To put it in perspective, the government's spending on education is ₹99,300 crore and on health is ₹69,000 crore.

### Why the Bill Is High

As per the Defence Ministry, there are about 26 lakh armed forces pensioners and family pensioners and approximately 55,000 pensioners are added every year. In 2015, government announced the OROP (One Rank, One Pension) scheme which cost it ₹8,600 crore. The implementation of the Seventh Pay Commission recommendations in 2017 again increased the defence pensions bill. Defence pensions are unique in many ways. Defence personnel retire at a young age and thus continue to get pensions for a longer period of time than their civilian counterparts. The current ratio of military pensioners to serving military personnel is



1.7 to 1, while the ratio of civil pensioners to civil working personnel is 0.56 to 1. This ratio in defence is projected to further change as life expectancy in India goes up and retired personnel live far longer than earlier. **All civilian employees in the government who joined service on or after 1 January 2004 do not get an assured pension but come under the ambit of the contributory National Pension Scheme (NPS). That is meant to reduce the pensions bill of the government on the civilian side, but military personnel have been excluded from the ambit of the NPS because of their short service span.**

### Where This Can Lead To

With economic growth stalling and competing requirement from development and infrastructure sectors, the government is being hard-pressed for the last rupee in its kitty. The defence services themselves need more funds to modernise themselves but are struggling with budgetary allocations. In such a scenario, attention is likely to come to the fast-rising defence pensions bill. Is there an easy answer to this? The short-term answer to keep the bill frozen at the same level is to **increase the retirement age** of serving military personnel and stop the rise in number of pensioners. But at a time when the country is facing unemployment at an all-time high, stopping recruitment for a few years will worsen the situation. The other solution is to **send the retired military personnel to paramilitary forces** but those forces, too, need to stay young and have not accepted the proposal. That would also pose the problem of recruitment in a time of high unemployment, as in the case of increase in retirement age of military personnel. The sharply rising defence pensions bill, however, has become a challenge that cannot be ignored any longer. Unless India's economy grows at a double-digit rate, it will not be possible to furnish this bill and still modernise the armed forces. There are no easy answers to the challenge, and the answer will have to come from the top political leadership: as former US Defense Secretary Bob Gates memorably said that if there was an easy answer, someone lower down the hierarchy would have found it.

### Fashioning the Framework of a New India (Indira Hirway - Director and Prof of Economics, Centre for Development Alternatives, Ahmedabad)

- The Indian economy is going through a severe crisis: a slowdown as well as a structural crisis. In the words of the former Chief Economic Adviser, Arvind Subramanian, it is headed towards the ICU. Almost all sectors of the economy are in decline: the rate of growth of the national GDP has declined to 5.0%, and may go down further; the construction sector, one of the fastest growing sectors so far, is growing at 3.3% this year; agriculture is growing at 2.1% while the auto sector is declining continuously in absolute terms. The Micro, Small and Medium Enterprises (MSME) sector too has declined, in turn raising the burden of non-performing assets of the banking sector as well as non-banking financial institutions. Also, exports have been declining in recent years, raising the crisis of current account deficit. Credit from banking and non-banking sectors has been declining in the last few years; the Financial Stability Report of the Reserve Bank of India (2019) says that it is unlikely to increase in the next nine months.

### Impacting the Poor

These developments have had an adverse impact on the bottom 30%-40% of the population. The incidence of absolute poverty, which has been falling since 1972-73, has increased to 30%



(4% jump). As the Human Development Report (2019) has shown, more than 44% of the Indian population is under the multi-dimensional poverty line. **The poorest 50% population at present owns only 4.1% of the national wealth, while the richest 10% people own 73% of the total wealth in India (Suisse Credit 2019).** India has 15.2% population malnourished (women 15%) as against 9.3% in China. And 50% of the malnourished children in the world are in India. India's global hunger rank has gone up to 112 while Brazil is 18, China is 25 and South Africa, 59. In the field of education as per a UN report (2015), overall literacy in India is 74.04% (more than the 25% are totally illiterate) against 94.3% in South Africa, 96.6% in China and 92.6% in Brazil. Almost 40-45% population is either illiterate or has studied up to standard 4. Given the quality of education in India, the overall population is very poorly educated, with the share of 'educated unemployment' rising by leaps and bounds. It needs to be realised that when exports are declining, the economy will have to depend on domestic demand for growth. It is no more feasible for the top 20-25% population to continue growing without depending on the demand from the bottom 40-45% population. There is thus a strong reason now for the economy to increase effective demand of this bottom 40-45% population at least to continue growing — to reach a \$5-trillion economy by 2024.

### Sub-Optimal Use of Labour

However, this crisis needs to be viewed differently: a major reason for the crisis is that the growth process has marginalised the bottom 40-plus% of the population in the sense that they do not get a fair share of the economic growth, and are more or less deprived of productive employment with a decent income. These people have been treated as beneficiaries to whom some cash/kind grants are thrown at, but they have not been used as active participants in the growth process. Their potential has not been promoted. Though the bottom population depends on the government for basic health and elementary education (and also for access to higher educational opportunities), **the government spends just 1.4% of GDP on health (against the norm of 4-6% of GDP) and 3% of GDP on education (against the norm of 6-8% of GDP).** As a result, these people are left hardly literate and sick, with poor nutrition and high morbidity. They are incapable of acquiring any meaningful skills or participating actively when new technology is spreading in the rest of the economy. This sub-optimal use of the labour force in the economy is not likely to enable India to achieve optimal growth with proper use of the national resources — the labour force.

### All-Encompassing Growth

One important lesson for policymakers is this: a major solution to the present crisis is to go in for inclusive growth. Here, inclusive growth does not mean only including all sections of the population in the growth process as producers and beneficiaries; it also means "shared prosperity". Since India has already committed to sustainable and inclusive growth at the UN General Assembly, India is definitely obliged to implement inclusive growth. This should be our "New India". Under the "New India" the main requirements are as follows: To start with, to improve the capabilities of the masses as well as their well-being by expanding productive employment opportunities for them. The main steps to expand productive employment for all in the economy should be made up of: a process of inclusion — expanding quality of basic health for all and ensuring quality education to all, which will by itself generate large-scale employment in the government; having a well-educated and healthy labour force will ensure high employability; such people will be able to participate actively in the development



process; having a well-educated labour force will help start-ups and MSMEs, in turn triggering a cycle of more productive employment in the economy. This will also improve the global competitiveness of our production units. Employment guarantee schemes such as the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) will also increase employment. Following the economic logic of R. Nurkse and A.O. Hirschman, assets generated under MGNREGA will expand capital formation in the economy, thereby raising the labour-absorbing capacity of the mainstream economy. Such a strategy has multiple advantages: First, it will raise incomes and the well-being of those who need it most urgently. Second, it will raise effective demand rapidly, which is so badly needed in the economy today to raise economic growth. Third, growth will be equitable and sustainable. The discussion had important implications for the Union Budget: need to raise expenditure on health to at least 5% of GDP and expenditure on education to at least 6% of GDP; to push up infrastructural development to enhance capabilities and opportunities of the masses and not just to promote corporate units; to promote agriculture by raising investment in agriculture and not just cash transfer (cash transfer provides relief to them no doubt, and does not raise productivity of agriculture which needs large public investment); and to facilitate credit flow particularly continuous working capital, to labour intensive sectors. Unfortunately, these steps are missing in the recent national Budget.

### Public Investments

Finally, how does one raise resources to increase new public investments in the selected sectors mentioned above, especially when public revenue is declining and the claims on public resources are rising? One major strategy is to raise direct taxes, both capital tax and wealth tax. Our experience in the past has shown by following crony capitalism, i.e. providing tax cuts and extra incentives and concessions to the corporate sector, exports increased and also our national GDP no doubt. But this growth does not much percolate to the poor. This is because during the growth process due to special treatment to corporate sector, the political economy radically changed in favour of the rich who are never willing to be taxed to raise government revenue to a level that it is enough to promote the capabilities and the well-being of the marginalised and the excluded. On the other hand, the unholy alliance between the government and the corporate sector also does not allow them to worry about the poor. Consequently, taxing the rich has to be a major strategy to raise government revenue. Second, if the public expenditure on raising capabilities is treated as social investment rather than social welfare, policymakers will be willing to spend on this capital formation. And, finally, there was no sound economic reason to control fiscal deficit ratio. Sound macroeconomics never supports this.

### Proposal to Run Government Hospital Under PPP

- As the Centre pushes to attach medical colleges to existing district hospitals in the public-private partnership (PPP) mode, to ostensibly address the shortage of doctors in the country, the question is: does it understand the nature of the camel that it is planning to allow into the tent? Finance Minister Nirmala Sitharaman, in the Union Budget speech, introduced the proposal and stated that those States that fully allow the facilities of the hospital to the medical college and wish to provide land at a concession would be eligible for viability gap funding. Several details are already available in the public domain, as part of the plan, first proposed by NITI Aayog. It argues that it is practically not possible for Central and State



governments to bridge the gaps in medical education with their limited resources and finances, necessitating the formation of a PPP model, “combining the strengths of both sectors”. This would augment the number of medical seats available and moderate the costs of medical education. Experts have argued that the NITI Aayog has not given sufficient play to the role of the district hospital as the pivot of primary health care in every State. Allowing private parties to “operate and maintain the district hospital and provide healthcare services” could seriously dent public health services. It is problematic that the NITI Aayog envisages the creation of “free” patients versus others, because this will create a new category of have-nots. A working draft of the concessionaire agreement indicates that the private firm “can demand, collect and appropriate hospital charges from patients”. There is understandable opposition to the scheme in States such as Tamil Nadu that have a robust public health-care system, and a medical college in nearly every district. These States are naturally loath to turning over a key unit in their health-care network, which is running reasonably efficiently, to the private sector motivated by profit rather than public interest. Ultimately, eternal vigil will be the price of going for this new mode. While creating quality medical professionals for the country should definitely be on any government’s to-do list, destabilising people’s access to affordable public health services, will be disastrous. Viability gap funding is provided for projects that the government does not find commercially viable because of long gestation periods, and relatively minor revenue flows, and involves PPP, but this instant situation calls for pause: health fits square in the State’s welfare role. The government must consider raising health-care spending beyond the usual under 2% of GDP, and ensure more resources are available to provide free, quality health care to all. If it does stay on its path of giving the private sector some control over district hospitals, it will do well to be wary of the camel in the tent.

### [The Budget’s Blurred Social Sector Vision \(Dipa Sinha - Faculty at The School of Liberal Studies, Ambedkar University Delhi\)](#)

- ➔ Finance Minister Nirmala Sitharaman began her speech by saying that the Union Budget was “woven around three prominent themes” — aspirational India, economic development for all and building a caring society. Achieving any of these would require extraordinary efforts on the social sector front starting with allocating additional resources for health, education, nutrition, employment guarantee, and social security schemes. Given the current state of the economy, with decelerating growth, a slump in rural demand and stagnant real wages in rural areas, an expansionary budget with a focus on the social sector would have also made economic sense. It would have meant more money flowing into the rural areas, creating jobs as well as purchasing power, while at the same time making a dent on the poor outcomes in health, nutrition and education that continue to haunt India. Unfortunately, the allocations for the social sector this year once again fail to deliver for the country’s poor and marginalised. And this is the situation across the board.

### [NREGA Deserves A Closer Look](#)

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the Public Distribution System (PDS) are two important lifelines for the rural poor: providing employment and food during times when the market fails them. The allocation in this Budget for MGNREGA is ₹61,500 crore which is ₹10,000 crore less than the revised estimate (RE) for the current year (₹71,000 crore for 2019-20) and, in real terms, even less than what was



allocated last year (₹60,000 crore). It is obvious that in current times when the levels of unemployment are at their peak, the demand for employment will only increase. But MGNREGA is failing to fully play the role of filling the gap because of poor implementation and inadequate funds. There is also a need to revise the MGNREGA wages to bring them on a par with minimum wages. All of this would require much higher allocations for the scheme, which are entirely justified as the **MGNREGA expenditure is also known to have high multiplier effects through boosting consumption demand in rural areas**. On the food front, excess food stocks to the tune of almost 60 million tonnes, high food inflation in recent months and reports of hunger from across the country warranted some announcement expanding the PDS. This could have been done by universalising ration entitlements in the poorest districts, increasing quantity given per individual, including pulses. However, what is seen in the Budget is an allocation which is not even enough to support the existing PDS under the National Food Security Act (NFSA). The food subsidy allocated for 2020-21 is only ₹1.11 lakh crore, which, once again, is slightly higher than the previous year's RE of ₹1.08 lakh crore. This is much less than the budget estimate (BE) of last year, of ₹1.8 lakh crore, which is closer to the actual subsidy required for meeting the costs of the grain distributed through the PDS and other welfare schemes. Over the last few years, the government has been funding the Food Corporation of India (FCI) for this gap in funding through loans from the National Small Savings Fund (NSSF). As seen in the latest Economic Survey, in FY 2018-19, the **total food subsidy released was ₹1.7 lakh crore which included an NSSF loan of ₹70,000 crore to FCI** — it does not get reflected in the Budget documents. Once again, this is not prudent economics, as it only increases the interest burden in the long run; **what it does in the short term is that it makes it possible to artificially show a lower expenditure, and hence smaller fiscal deficit**. On the other hand, such mismanagement is then made an excuse to call for the dismantling of the PDS and FCI, which is entirely unwarranted.

### Giving Short Shrift to Health

Health and education also did not see any significant increases in allocations this year. The BE for the much publicised Ayushman Bharat Yojana/Pradhan Mantri Jan Arogya Yojana stays at ₹6,400 crore, the same as last year (RE was 50% lower at ₹3,200 crore). The budget for the Prime Minister's Overarching Scheme for Holistic Nutrition, or POSHAN Abhiyaan, another flagship scheme of this government, sees a meagre increase of ₹300 crore (from ₹3,400 crore to ₹3,700 crore). The funds allocated for the maternity entitlement scheme, Pradhan Mantri Matru Vandana Yojana remains the same as last year — ₹2,500 crore. There is an overall increase of ₹5,000 crore-₹6000 crore each in the overall education and health budgets which are hardly sufficient to cover for inflation. As we look at the various schemes, including social security pensions, Anganwadi services, mid-day meals and those mentioned above, the same pattern emerges — first, we see a much reduced RE for 2019-20 compared to the BE of 2019-20, indicating underspending in the current year. This means people are being left out, coverage is low and benefits are irregular; field reports suggest all of this to be true. Second, there are some increases as seen in the BE for 2020-21 which barely bring the allocations to the same level as the previous year's Budget estimates in real terms. Considering that all these sectors are grossly underfunded in the first place, there is not much hope of seeing anything different in terms of what ultimately reaches people. It is clear that the agenda of the present government for the social sector is for greater privatisation and withdrawal of the state. This is reflected not just in the low allocations but also policy pronouncements such as introducing the public-private partnership model for medical colleges and district





hospitals or the push, in the Economic Survey, for narrowing the coverage under the PDS. This would be a worrying direction in the current context.

### Another Lost Opportunity to Revive Growth

→ The Budget speech read out by the Finance Minister was perhaps the longest in history, running to almost two hours, until the Minister herself could not carry on any longer. However, the markets were not impressed. Almost two-thirds of the Budget speech was devoted to subjects that come within the constitutional domain of the States and, in the remainder, there was not much to cheer about. The response to even issues such as the abolition of dividend distribution tax, which otherwise should have been received well, was muted. There was endless wait, with a fond hope that some important announcement would be made over the long duration of the Budget speech, only to end in disappointment. The slippage in fiscal deficit from the target set in the Budget estimate in 2019-2020 was a foregone conclusion. This is mainly due to: the nominal GDP growth being 7.5%, as against the estimated 12% in the Budget; the expectation that the tax revenue was to increase at 18.3% over the pre-actuals of the previous year; and, lastly, the progress in disinvestment being tardy and that only about ₹18,000 crore of the budgeted ₹1.05 lakh crore has been realised so far. It is not surprising that **the fiscal deficit for the current year stands estimated at 3.8% of GDP and the target for the next year is 3.5%. Thus, the slippage for both the years is 0.5 percentage point to GDP.** Of course, off-Budget financing has continued and that makes the reported deficit numbers somewhat of doubtful validity. Besides, there are questions on whether even these estimates will be realised when the actual numbers are finalised. It remains to be seen whether the total estimate of ₹65,000 crore of disinvestment proceeds will be realised, which implies that the government will have to fast-track disinvestment to collect ₹47,000 crore in the next two months. Besides, the revised estimate of tax revenue for the current year is over 14% higher than the actual for 2018-2019, perhaps predicated on the hope that the scheme, "Vivad se Vishwas", of allowing the settlement of disputed tax to be paid without interest and penalty. There are downward risks in achieving the targeted fiscal deficit of 3.5% in 2020-2021 as well. The nominal GDP growth looks reasonable but it is not clear how the other non-debt capital receipts will be realised. **The capital expenditure is estimated to increase by 18%. Despite this, the revenue deficit is higher at 2.7% of GDP as compared to 2.4% this year and is almost 77% of the fiscal deficit.**

### Echoes from The Past

The abolition of dividend distribution tax and taxing it in the hands of the shareholders at applicable rates was expected. In fact, there has been considerable zig-zag on dividend taxation policy over the years. The reforms in individual income tax, however, are clearly disappointing. The best practice approach to tax reform is to broaden the base, reduce the rates and reduce the number of brackets to make it simpler. Clearly, the main objective of any tax should be to raise revenue. The government could have simply phased out the tax concessions, indexed the brackets for inflation and reduced the rates of tax, with appropriate adjustment in brackets. Instead, it has created six brackets which takes us back to the pre-1991 era of income taxation. The protectionist stance for import substitution in the name of "Make in India" has also continued, which too takes us back to the pre-reform era.



### Drop in Revenue Expenditure

On the expenditure side, there has been a sharp compression of revenue expenditures by 4% and the capital expenditure is shown at 3% higher in 2019-2020 over the previous year. Much of the compression in revenue expenditures was in the Central sector (12%) and Centrally sponsored schemes (4%). In 2020-2021, the revenue and capital expenditures are estimated at 12% and 18%, respectively, higher than the current year. Despite many announcements in the Budget on schemes relating to subjects in the States' domain such as agriculture, irrigation, rural development and health, the expenditure on the Central sector and Centrally sponsored schemes is budgeted to increase at 7.6% and 7.3%, respectively, next year. In other words, a considerable part of the expenditure compression in 2019-2020 was borne by the States, and while the overall expenditure of the Centre is budgeted to increase by 12.7% next year, the increase in the transfers on account of the Central sector and Centrally sponsored schemes would be just about 7.4%. On the whole, the Budget fails to provide any kind of stimulus for the revival of consumer or investment demand. Nor has it been able to contain the deficits and that leaves very little room for further cuts in repo rates by the monetary policy committee. The Budget is also supposed to provide clear policy signals. Mere announcements that there will be a doubling of farmers' incomes and there will be ₹102 lakh crore investments in the next five years are not likely to revive the sentiments. In short, the country has missed yet another opportunity to retrieve the economy from the throes of stagnancy.

### A Budget Exercise That Is Designed for Stressed Times

- What is the best any Finance Minister could have done in the Budget? Two things. One, nudge growth along through a higher-than-normal increase in government capital expenditure. Two, put in place reforms that would result in pay-offs over the long term. The Budget does surprisingly well on the first account. On the second, however, its performance will fall short of market expectations of a whole slew of structural reforms. Most people thought that with the government facing a shortfall in total receipts of anything in the range of ₹1,50,000-₹3,00,000 crores, the axe would fall on government capital expenditure. The biggest positive in the Budget is that this has not happened in 2019-2020 and it is not projected to happen in 2020-2021 either. Capital expenditure in 2019-2020 turned out to be ₹10,338 crore more than the Budget estimates, a rise in 13.4% over the actuals of 2018-2019. In 2020-2021, it is expected to rise by 18% over the figure for 2019-2020. **Capital expenditure as a percentage of GDP was 1.7% in 2019-2020 and is projected to rise to 1.8% in 2020-2021**, assuming that the revenue projections hold substantially. The Finance Minister deserves credit for wanting to maintain the momentum of capital expenditure at a time of faltering growth.

### Tax Revenues Below Estimates

The receipts for 2019-20 are not as alarming as many had thought. Tax revenues (net to the centre) have fallen short of budgetary estimates by around ₹1,45,000 crore. The reduction in corporate tax rate last year cost the government nearly ₹1,00,000 crore. The fall in tax revenues has been offset somewhat by a rise in non-tax revenues of around ₹32,000 crore, mainly on account of a larger-than-projected transfer of Reserve Bank of India (RBI) surplus to the government. Disinvestment receipts have fallen short of budgetary estimates by ₹40,000 crore. In effect, the total disappointment in receipts has been of the order of ₹1,50,000 crore, which is at the lower end of market estimates. A complete surprise is a



reduction in revenue expenditure of ₹98,000 crore, mainly on account of a reduction in food subsidy. The net effect of the differences in receipts and expenditure with respect to budgetary estimates is an increase in the fiscal deficit by ₹63,000 crore, or about 0.3% of the budgetary estimate of GDP for 2019-2020. Factor in a lower-than-expected growth in the denominator, nominal GDP, and you end up with a fiscal deficit-to-GDP ratio that is 0.5 percentage points higher than the budgetary estimate, that is, 3.8%. The Finance Minister has justified this by saying that **it is within the deviation of 0.5% permitted by the Fiscal Responsibility and Budget Management (FRBM) Act.**

### Disinvestment Target

The big 'if' is about disinvestment receipts. The government expects to rake in ₹2,10,000 crore, way above the receipts of ₹65,000 crore in 2019-2020. The projected receipts include ₹1,20,000 crore from disinvestment in public sector undertakings and another ₹90,000 crore from disinvestment in LIC and IDBI Bank. The latter will, no doubt, be seen as significant reform of the financial sector by market analysts. However, both the intended sales raise issues. **LIC performs a useful role in shoring up the stock market when required. It is also an important investor in the capital of public sector banks.** If institutional and retail investors are given a stake, the larger public role performed by LIC may be called into question. It would be best if a stake sale in LIC were referred to a Committee of Parliament. As for selling the government's holding in IDBI Bank, the sale price could become a contentious issue until the bank effects a significant turnaround. If the disinvestment estimates are not met, it would upset the budgetary arithmetic and the fiscal deficit target of 3.5% of GDP. There is not even a pretence of meeting the FRBM target of 3% of GDP in the near future, not even by 2022-2023. Perhaps the time has come to revisit the target itself and the maximum deviation permissible from the plan. The suggestion that the government should aim to meet the target of 3% over an entire business cycle and not in any given year is worth considering.

## Life & Science

### Longest Spaceflight by A Woman & Why Her Work Matters

- NASA astronaut **Christina Koch** returned to Earth from the International Space Station, where she set the record for the **longest single spaceflight in history by a woman**. Koch arrived along with Soyuz Commander Alexander Skvortsov of Roscosmos and Luca Parmitano of European Space Agency.

### The Records, In Context

Koch launched on March 14, 2019 and completed **328 days** in space. **The previous longest single spaceflight by any woman was 289 days by Peggy Whitson**, also an **American**, who set that record in 2017. Among Americans across genders, just **Scott Kelly (340 days)** is ahead of Koch. The **world record** across genders is **438 days** by **Valery Polyakov of Russia**. Additionally, Koch is also seventh on the list of American astronauts in terms of cumulative time in space across one or more spaceflights. Whitson holds the American record for the longest cumulative time in space for any astronaut, at 665 days, which is also the world record for women. Across genders, the world record holder is a Russian astronaut, Gennady Padalka at

[Shatabdi Tower, Sakchi, Jamshedpur](#)



879 days. Among Americans, those ahead of Koch are Whitson, Jeff Williams (534 days), Scott Kelly (520), Mike Fincke (382), Mike Foale (374) and Don Pettit (370). Koch completed 5,248 orbits of the Earth and a journey of 220 million km, the equivalent of almost 300 trips to the Moon and back. She conducted six spacewalks during 11 months on orbit, including the first three all-woman spacewalks (the historic first being with Jessica Meir), spending 42 hours and 15 minutes outside the station. She witnessed the arrival of a dozen visiting spacecraft and the departure of another dozen.

### Lessons from Her Flight

Koch's extended mission will provide researchers the opportunity to observe effects of long-duration spaceflight on a woman as the agency **plans to return humans to the Moon under the Artemis program** and prepare for **human exploration of Mars**. Her work included participation in a number of studies to support those future exploration missions, including research into **how the human body adjusts to weightlessness, isolation, radiation and the stress of long-duration spaceflight**. One particular research project Koch participated in is the **Vertebral Strength investigation**, which better defines the extent of **spaceflight-induced bone and muscle degradation of the spine**, and the associated risk for broken vertebrae. This is expected to provide insight into the development of future countermeasures, such as preventative medicine or exercise. These results also could provide recommendations for limiting the amount of force astronauts are subjected to during launch. Other experiments included work on the Microgravity Crystals investigation, which **crystallises a membrane protein that is integral to tumour growth and cancer survival**. Results may support the development of cancer treatments that target the protein more effectively and with fewer side effects.

### Lung Cancer Most Common Type Globally, Breast Cancer in India

- On World Cancer Day, the World Health Organization (WHO) released two reports that stated, among various figures, that 1 in 10 Indians will develop cancer during their lifetime, and 1 in 15 Indians would die of cancer (The Indian Express, February 4). India had an estimated 1.16 million new cancer cases, 7,84,000 deaths and 2.26 million five-year prevalent cases in 2018. Globally in 2018, there were 9.6 million cancer deaths, out of which the most were due to lung cancer at 18.4%, followed by colorectum cancer (9.2%), stomach cancer (8.2%), liver (8.2%), breast (6.6%) and cancer of the oesophagus (5.3%). In India, the six most common cancer types are breast, at 1,62,000, followed by oral (1,20,000), cervical (97,000), lung (68,000) and stomach and colorectal, at 57,000 each. These accounted for 49% of all new cancer cases. Among 5,70,000 new cancer cases in men, oral cancer incidence was the highest at 92,000 followed by lung cancer at 49,000. For women, of the 5,87,000 new cancer cases, breast cancer incidence was the highest at 1,62,000, followed by cervical at 97,000. The report said that cancer patterns in India are dominated by a high burden of tobacco-related head and neck cancers. Globally, if the present trends continue, there will be a 60 % increase in cancer cases over the next two decades, WHO said.

### Why Wetlands Matter to World and India

- On February 2, was World Wetlands Day. It was on this date in **1971 that the Ramsar Convention on Wetlands was adopted in Ramsar, Iran**. Only last week, the Ministry of Environment, Forests and Climate Change had announced that the **Ramsar Convention had**

**Shatabdi Tower, Sakchi, Jamshedpur**



declared 10 wetlands from India as sites of “international importance”, taking the total number of Ramsar Sites in the country to 37.

### Why the Focus on Wetlands?

The Ramsar Convention definition for wetlands includes marshes, floodplains, rivers and lakes, mangroves, coral reefs and other marine areas no deeper than 6 metres at low tide, as well as human-made wetlands such as waste-water treatment ponds and reservoirs. The IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) the global assessment identified wetlands as the most threatened ecosystem. This impacts 40% of the world’s plant and animal species that live or breed in wetlands, according to UNESCO. Thirty per cent of land-based carbon is stored in wetland; one billion people depend on wetlands for their livelihoods; and wetlands provide \$47 trillion in essential services annually, according to the Wetlands Day official website. This year’s Wetlands Day theme is Wetlands and Biodiversity.

### What Is the Status of Wetlands in India?

India has over 7 lakh wetlands and rules for their protection; yet not one of the wetlands has been notified under domestic laws, according to environmentalist Anand Arya, a petitioner in a Supreme Court case on wetlands. Wetlands are regulated under the Wetlands (Conservation and Management) Rules, 2017. The 2010 version of the Rules provided for a Central Wetland Regulatory Authority; the 2017 Rules replace it with state-level bodies and created a National Wetland Committee, which functions in an advisory role. The newer regulations removed some items from the definition of “wetlands” including backwaters, lagoon, creeks, and estuaries. “The 2010 Rules required States to identify and prepare Brief Documents, submit them to the Union Ministry of Environment and Forests, which was to notify them. Under the 2017 regulations, the whole process has been delegated to States,” Arya told. “We have a total of 7,57,060 wetlands, covering 1.6 crore hectares or 4.5% of India’s area. In February 2017, the Court extended protection to 2,01,503 of these under Rule 4 of the 2010 Rules, and ordered authorities to notify sites. The wetlands were supposed to have been notified by March 25, 2019, 180 days after the 2017 Rules went into force (September 26, 2017). Yet so far, not a single wetland has been notified,” Arya said. The 2,01,503 wetlands, measuring over 2.25 hectares, were identified using ISRO’s satellite imagery. In October 2017, the Supreme Court expressed concern over the disappearance of wetlands, and observed, “If there are no wetlands left, it will affect agriculture and several other things. It is a very, very important issue.”

### What Does Being a Ramsar Site Mean?

The designation is for “Wetlands of International Importance”. “They are recognised as being of significant value not only for the country or the countries in which they are located, but for humanity as a whole... The inclusion of a wetland in the list embodies the government’s commitment to take the steps necessary to ensure that its ecological character is maintained. The Convention includes various measures to respond to threats to the ecological character of Sites,” the Ramsar Convention website said. The selection is made on the basis of various criteria defined under the convention. Article 2.2 says: “Wetlands should be selected for the List on account of their international significance in terms of ecology,



botany, zoology, limnology or hydrology.” There are currently over 2,300 Ramsar Sites around the world, covering over 2.1 million square km. In India, the 10 new wetlands declared Ramsar Sites are Nandur Madhameshwar in Maharashtra; Keshopur-Miani, Beas Conservation Reserve and Nangal in Punjab; and Nawabganj, Parvati Agra, Saman, Samaspur, Sandi and Sarsai Nawar in UP. On the newly identified Ramsar Sites, Arya said, “Until days ago, out of the 7,57,060 wetlands in the country, only 27 sites were protected. Now there are 10 more. Where are we as far as protection efforts are concerned?”

## To Import Cheetahs, Or Not To

→ The Supreme Court’s recent green light to introduction of African cheetahs in a suitable area in India has revived a decade-long debate over the controversial plan first floated in 2009 and shot down by the court in 2013. To appreciate the cheetah question, one needs to look at the lion parallel. One of the reasons the Supreme Court scrapped the cheetah plan in 2013 was the lopsided focus on flying in an exotic species, as a replacement for what was long gone, at the cost of undermining the future of an indigenous species that is still around. The last cheetahs in the Indian wild were gunned down in 1947. The few surviving in captivity perished soon after, making it the only large carnivore to have gone extinct in India. The last wild population of the Asiatic lion, on the other hand, survives in Gujarat’s Gir where the cat is only a natural calamity or an epidemic away from meeting same fate as the cheetah. The plan to secure the lions in a second home has been hanging fire since 1993.

### The Dream

The popular appeal of having cheetahs back in the Indian wild was not lost on then Environment Minister Jairam Ramesh who, in 2009, cleared a proposal from Dr M K Ranjitsinh, India’s first director of wildlife during the 1970s, and Dr Y V Jhala, scientist with Wildlife Institute of India, to import a few. After Iran refused to part with any of its few surviving Asiatic cheetahs, the focus turned to the African variety. At a meeting attended by international experts in September 2009, wildlife geneticist Stephen O’Brien maintained that the Asian and African cheetahs were genetically very similar, and Dr Laurie Marker, head of Namibia-based Cheetah Conservation Fund, offered to help bring in African cheetahs “in stages over the next decade, possibly starting in early 2012”. By September 2010, India’s cheetah plan was ready and the Centre approved ₹50 crore for the programme in August 2011.

### The Brakes

The matter came up before the Supreme Court during a hearing on shifting a few lions from Gujarat to Kuno-Palpur wildlife sanctuary, Madhya Pradesh, which was also one of the sites identified for releasing cheetahs. In May 2012, the court stayed the cheetah plan, and in April 2013, it ordered translocation of lions from Gujarat while quashing the plan for introducing African cheetahs to Kuno-Palpur. The cheetah plan was revived in 2017 when the government sought permission from the Supreme Court to explore possibilities “in conformity with the applicable law to reintroduce cheetahs from Africa to suitable sites” other than Kuno-Palpur. By then, the lion translocation project was put on the back-burner again.



### The Design

In April 2013, the Supreme Court had set a six-month deadline for translocating lions from Gujarat to Madhya Pradesh. Between July 2013 and December 2016, the government convened six meetings of the expert committee set up for the lion project. Nothing has moved since. Instead, the third National Wildlife Action Plan (2017-2031) released in 2017 said that the identification of an alternative home and drawing up a conservation plan for the Asiatic lion will be completed during 2018-2021. Then, Kuno resurfaced as a potential cheetah site in the court. It is unlikely though that Kuno will get cheetahs. **Much of its grasslands that were created by relocating villages have naturally progressed to woodlands not suitable for the African import.** While the sanctuary has spotted deer and feral cattle in good numbers, **there is barely any presence of the four-horned antelope, chinkara or blackbuck – all potential prey for the cheetah.** With Rajasthan not too keen on cheetahs for Shahgarh in Jaisalmer, and Gujarat's pitch for Kutch's Banni grasslands not finding favour, **Nauradehi in Madhya Pradesh leads the race to play host to the first batch of imported animals.**

### The Argument

In saving the cheetah, claimed the proponents of the reintroduction plan, one would also save other endangered species of the grassland, such as the endangered Indian wolf and the near-extinct great Indian bustard (GIB). In the umbrella-approach of conservation, multiple species in a forest (tiger reserve, for instance) is protected in the name of a flagship species (i.e. tiger). It is inexplicable, though, as to why one must introduce an exotic replacement for an extinct species to save indigenous species. **Wolves, for example, are the keystone species in Nauradehi and would have to compete with cheetahs.** The **majestic GIB is a potential prey for the cheetah.** In fact, the project excluded Jaisalmer's Desert National Park because "putting the cheetah in with the bustard cannot be contemplated at all, because of the threat to this most gravely endangered bird". And yet, it recommended erstwhile GIB habitats for the cheetah, in effect denying the bird any chance of habitat recovery.

### The Priority

The GIB is not the only species staring down the barrel. The government has identified 20 others – such as the Asian wild buffalo, Jerdon's courser, red panda and Asiatic lion – that need immediate help to survive. Barring 50 reserves under Project Tiger, all wildlife habitats of the country and the 21 beleaguered species merited a total allocation of ₹497 crore between 2017-18 and 2019-20. That is ₹166 crore a year. A decade ago, the cost of the cheetah project was pegged at ₹300 crore in the first year alone. In Nauradehi, merely constructing a 150-sq km cheetah enclosure will cost ₹25-30 crore. To this, compare the recent sanctions of ₹5 lakh for the Greater adjutant in Gangetic riverine tract in Bhagalpur, Bihar; ₹1.22 crore for establishing a conservation breeding centre for wild buffaloes in Chhattisgarh; or ₹3.87 crore for a snow leopard recovery programme in Ladakh. This raises several questions. Can India's meagre conservation resources afford to splurge on hosting a few imported animals? Even if the cheetah programme finds an international sponsor, should India's understaffed and inadequate wildlife management cadre be stretched for a vanity project? Even if a few African cheetahs survive, as they well might inside an enclosure and supplied with prey, what conservation purpose will they serve? And what future will they have once out in the open in a country teeming with people, livestock and feral dogs? The three-member expert panel will examine these issues in the next four months for the government to reach a considered



decision. Meanwhile, as the policy dash for the fastest land animal is being cheered, the lions are running out of time.

### Why 98.6°F Is No Longer 'Normal' For the Body

- The thermometer reading of 98.6°F has been a gold standard for a century and a half, ever since a German doctor laid it down as the “normal” human body temperature. If you suspect you have a fever, a reading of 98.6 tells you that you are not. Over the last few decades, the benchmark has often been questioned. Different studies have found the human body temperature averaging out differently, including at 97.7°, 97.9° and 98.2°F. Now, new research has found that **body temperatures have, in fact, been declining over the last two centuries**. This was determined from an analysis of records of Americans dating between the 19th century and 2017.

### Why We Follow 98.6°F

In 1851, *Carl Reinhold August Wunderlich* pioneered the use of the clinical thermometer. It was a rod a foot long, which he would stick under the armpits of patients at the hospital attached with Leipzig University, and then wait for 15 minutes (some accounts say 20 minutes) for the temperature to register. He took over a million measurements of 25,000 patients, and published his findings in a book in 1868, in which he concluded that the average human body temperature is 98.6°F. Most modern scientists feel Wunderlich’s experiments were flawed, and his equipment inaccurate. In 1992, a study by the University of Maryland made 700 temperature measurements of 148 individuals over various times of the day, concluded that the average human body temperature is closer to 98.2°F, and suggested that the 98.6°F benchmark be discarded. In 2017, a study on 35,000 British individuals published in The BMJ found their average body temperature to be 97.9°F. And in 2018, Boston rheumatologist Jonathan Hausmann used an iPhone app, Feverprints, to collect 11,458 temperatures crowd-sourced from 329 healthy adults, and published findings that put the average normal temperature in adults at 97.7°F, measured orally. Last month came the new study, published in the journal eLife, that concluded the average human body temperature has never been constant in the first place.

### The Body Is Cooler

Stanford University researchers recorded temperatures from three datasets covering distinct historical periods. One set was from 1862-1930, with records of Union Army veterans of the Civil War and including people born in the early 1800s. Another set was from 1971-75, from the US National Health and Nutrition Examination Survey. The newest set was from adult patients who visited Stanford Health Care between 2007 and 2017. From 6.77 lakh measurements and statistical modelling, the researchers reconfirmed some known trends — **body temperature is higher in younger people, in women, in larger bodies and at later times of the day**. Additionally, they found that the bodies of men born in the early to mid-1990s is on average 1.06°F cooler than those of men born in the early 1800s. And the body temperature of women born in the early to mid-1990s is on average 0.58°F lower than that of women born in the 1890s. The calculations from the research correspond to a decrease in body temperature of 0.05°F every decade, Stanford University said in a statement.





### Explaining the Trend

The researchers have proposed that the decrease in body temperature is the result of changes in the environment over the past 200 years, which have in turn driven physiological changes. The decrease in average body temperature in the US, they said, could be explained by a reduction in metabolic rate, or the amount of energy being used. This reduction, in turn, may be due to a nationwide decline in inflammation as a result of better healthcare in the US. Inflammation would have revved up metabolism and raised body temperature. "The environment that we're living in has changed, including the temperature in our homes, our contact with microorganisms and the food that we have access to. All these things mean that although we think of human beings as if we're monomorphic and have been the same for all of human evolution, we're not the same. We're actually changing physiologically," senior author Julie Parsonnet said in the university statement.

### So, What Is Normal?

While the authors are confident of a cooling trend, they do not offer an updated definition of "average body temperature" to cover all Americans today. The strong influences of age, time of day, and genders on body temperature preclude such a definition, they said.

### WHO Busts Myths and Fake Messages On Coronavirus

- Busting the myths and fake messages circulating on social media, the Public Health department of Maharashtra said consuming more garlic, curry leaves or cow's urine would neither treat nor prevent one from the novel coronavirus (nCoV) infection. The officials urged people to instead follow good hand hygiene, have coughing and sneezing etiquette and eat nutritious and well-cooked food. The World Health Organisation also took to social media to spread awareness and bust such misleading claims. On garlic, WHO said it is a healthy food that may have some antimicrobial properties but there is no evidence that it has prevented people from contracting the 2019 nCoV. On sesame oil, it said: "Sesame oil is delicious but it does not kill nCoV."

### No Room for Panic

- The Emergency Committee convened by the World Health Organization (WHO) on January 30 has declared the novel coronavirus outbreak in China as a 'public health emergency of international concern', a development that comes after its meeting for the second time in just a week. The virus, that has been infecting hundreds and killing several each day in China, is now being reported in at least 23 other countries — nearly 14,380 cases as on Sunday — since the committee last met on January 22-23. There has also been the first confirmed fatality outside China, with a death in the Philippines. As on Sunday, Chinese authorities said 45 more deaths had been recorded in Hubei province, bringing the death toll in the country to 304. All of China's provinces and territories have now reported cases. But the critical factor that prompted WHO's emergency declaration is the virus's human-to-human spread in other countries. In fact, WHO's committee reconvened to assess the situation mainly because of local transmission in other countries — a scenario for further global spread. China is also having to deal with another disease outbreak — a "highly pathogenic" strain of bird flu, or H5N1. In Kerala, after a student who had travelled from Wuhan city, the epicentre of the current outbreak, was found to be infected, State health authorities, reported a second case



being detected. This patient too had a history of travel from China. Besides isolating those who exhibit overt symptoms and conducting contact tracing, there is an urgent need to raise public awareness. This is essential so that they report to a hospital when symptoms show up later or in case of contact with a person who has travelled to China recently. **There is evidence that those who appear to be healthy despite being infected can spread it even during the incubation period. Also, cases have been reported wherein people have not exhibited symptoms in spite of being infected. In both instances, thermal screening at airports, which is largely helpful, would fail to detect infected people — as in the case of the Kerala patients.** Hence, time-tested measures which include handwashing and hand hygiene, wearing protective gear while attending to sick people and covering one's mouth and nose properly when coughing or sneezing will drastically reduce the infection risk.

### What Is Groundhog Day?

- February 2, was observed as Groundhog Day in many parts of the US and Canada, marking an **annual tradition in which a groundhog is believed to predict whether winter would be prolonged, or spring would arrive early.** The most famous of these prognostication ceremonies is held in Punxsutawney in Pennsylvania, and is attended by thousands of people. If it is sunny on February 2, and a groundhog (a rodent native to North America) emerges from its burrow and sees its own shadow, another six weeks of winter weather follows, goes the tradition. On the other hand, if the animal doesn't see its shadow, milder weather is forecast for the following weeks, indicating an early onset of spring. The Punxsutawney event began in 1887, and receives significant media attention. On February 2, around 7.25 am, the designated groundhog "Punxsutawney Phil" emerged from its burrow in Gobbler's Knob in Punxsutawney, and apparently did not see its shadow. The 'prediction' is obviously prepared in advance — and Phil, who has been taking a shot at forecasting the change of season for more than 130 years, has been accurate on less than 40% of times. The National Oceanic and Atmospheric Administration cautions that the groundhog has "no predictive skill".

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