



A big broom

Each shell company must be duly investigated, instead of a 'name and shame' data dump

The decision by the Ministry of Corporate Affairs to crack down on so-called 'shell companies', disqualify select directors in these entities and debar them from taking board positions for a specified period of time cannot be faulted. This would begin the clean-up of the Augean stables of firms set up in many cases with less than bona fide intent and having virtually no business operations. However, the Union government's move to publicise the identities of some of these individuals with a view to 'naming and shaming' them is fraught with risk; the devil, as always, is in the detail. While the underlying motive for this action, as cited by the ministry, of "breaking the network of shell companies" in the government's fight against black money is laudable, there is a real danger of inadvertently tainting genuine firms and individuals. This was in evidence when the Securities Appellate Tribunal recently gave relief to some entities over trading curbs hastily imposed on them by SEBI. Also, given the sheer scale of the task at hand, with the ministry identifying more than 1.06 lakh directors for disqualification, it is imperative that there be great care and diligence to ensure that the authorities do not penalise anyone who for non-mala fide reasons failed to comply with the relevant provisions of the Companies Act. After all, when the intention is to create "an atmosphere of confidence and faith in the system" as part of improving the climate for ease of doing business, the onus must be on taking to task only those who intend to subvert the law.

At a broader level, the Centre and the regulatory arms need to address the underlying systemic shortcomings that have allowed so many companies, both listed and unlisted, to become vehicles of malfeasance. For one, as so many entrepreneurs establishing medium, small or micro enterprises have found to their chagrin, it is far easier to register a firm than it is to dissolve or wind it up. Similarly, in the case of public limited companies, a major portion of the extralegal activities including price rigging of shares, insider trading and other questionable practices have been found to occur in the large mass of smaller companies. The problems of acute illiquidity, weak governance and regulatory oversight have combined with the difficulty in delisting to make these firms prime targets for financial fraudsters and money launderers. The solutions, therefore, need to be targeted at addressing the deep-rooted maladies rather than just the symptoms, making it easier for entrepreneurs to deregister and/or delist a company. The government has already shown it is prepared to act in terms of enacting the necessary legislation to address banking sector stress by adopting the Insolvency and Bankruptcy Code. A simplified process, possibly online, to dissolve or delist would usher in significant benefits, including improved governance, and ensure that all stakeholders from small retail investors to corporate promoters have an enabling atmosphere to operate freely by remaining compliant with the law or risk facing stringent penal action.

Nuclear deal in danger

Trump's continued tirade against Iran undermines the non-proliferation regime

U.S. President Donald Trump's opposition to the Iran nuclear deal is not new. But by choosing his first address at the UN General Assembly, in which he listed his administration's foreign policy priorities, to slam Tehran and the nuclear accord, he has put to rest any hope for improvement in ties with Iran. In his tirade on Tuesday, he called the Iran deal, which the U.S. and five other countries had signed with Tehran two years ago, an "embarrassment", and "one of the worst and most one-sided transactions the United States has ever entered into". Unsurprisingly, it triggered a reaction from Iran. Iranian Foreign Minister Javad Zarif called out Mr. Trump's "ignorant hate speech", which he said belonged to "medieval times". The message from the Trump administration is clear and consistent: the Obama-era pragmatism was an aberration and the decades-old hostility between the U.S. and the theocratic regime in Tehran stands resumed. The real test before Mr. Trump and the Iranians comes in less than a month. According to U.S. law, the administration must certify the Iran deal every 90 days. The Trump administration has twice done so, and the next deadline is October 15. Mr. Trump has already signalled that he would withdraw the certification next time. If he does so, it would be the beginning of the unravelling of an agreement that was forged after intense negotiation.

Failure of the U.S. to respect an international agreement it's a signatory to would set a dangerous precedent. For all its shortcomings, the Iran nuclear deal is a multilateral agreement. And it has shown results. What had appeared to be an irresolvable issue only three years ago is now settled. International agencies have repeatedly certified that Iran is fully compliant with the terms of the agreement, which means the country is not pursuing any nuclear weapons programme. In plain terms, the deal is a success as it prevented a country with potential nuclear capabilities from developing weapons, and all this without a shot being fired. If the U.S. is serious about non-proliferation, it should use the Iran deal to resolve other complex international conflicts. What's happening is just the contrary. Iran has been slapped with more sanctions by the U.S. over its missile programme. If Iran is not spared even after it agreed to give up a substantial part of its nuclear programme under a multilateral agreement, what message does it send to other countries about international diplomacy? No doubt, Mr. Trump's continued attack on the Iran deal pleases hard-line supporters at home as well as Arab allies and Israel in West Asia. But it is undermining the global non-proliferation regime and international institutions.

States of the Opposition

Political parties must frame their campaign as a referendum not on leadership but on democratic values



G. SAMPATH

Of late, it's become almost a matter of conventional wisdom that the 2019 Lok Sabha elections are the Bharatiya Janata Party's for the taking. The only unknown, apparently, is the margin of victory. If the party's ambitious 'Mission 350-plus' plan proves successful, we could soon have a Parliament that is practically 'Opposition-mukt'.

In such a scenario, does it still make sense to hope for a meaningful Opposition in the run-up to 2019 and after? If yes, what might be the contours of a political strategy that would enable it to pose a credible challenge to the BJP juggernaut?

Reams have been written about the failures of the Opposition parties. Far from holding the government to account, they have either been dormant or busy fighting for survival. The BJP, on the other hand, has been steadily expanding its footprint. It was in power in five States before the 2014 polls. Today the National Democratic Alliance is in power in 18 out of the 29 States. Thirteen of those have a BJP Chief Minister.

Some have argued that the Indian polity has reverted to a state it has witnessed before – that of single-party dominance, with the BJP taking the place of the Congress. While this is true in a formal sense, there is a big difference in substantive terms, one that could seal the fate of Indian democracy as we have known it.

The Congress system

For more than two decades after Independence, political competition in Indian democracy took place within the confines of what political scientist Rajni Kothari termed 'the Congress system'. It



denoted a polity marked by single-party dominance. Until the onset of the '70s, the Congress incorporated oppositional drives into itself by way of multiple factions at the regional and national level that mirrored the extraordinary pluralism and diversity of a complex nationhood.

In a traditional society where a political culture centred on democracy was yet to strike roots, it was the accommodative pluralism of the 'Congress system' that allowed the normative modernity of the Constitution to slowly achieve a fragile social hegemony. More than the 'steel frame' of the bureaucracy, it was the elastic frame of the 'Congress system' that held the country together by respecting its pluralistic genotype.

Subsequently, as the Congress went into decline, regional configurations came to power in State after State, and India entered the coalition era. As it lost ground in State politics, the Congress was forced to play ball with smaller parties at the national level. Seen another way, the intra-party coalitions within the 'Congress system' became externalised into an inter-party dynamic in the coalition era that began with the ninth Lok Sabha in 1989, and continued till the 2014 elections.

Political competition being what it is, the vacuum at the national level caused by the shrinkage of the Congress has now been filled by the BJP. It did so by scripting an alternative national narrative

around three elements: a Hindutva-infused nationalism; turning elections into a referendum on national leadership, specifically Narendra Modi's leadership; and framing the electoral competition in all-India terms rather than engage with State-level issues.

If the Opposition has floundered so far, it is because it has tried, without much conviction, to challenge the BJP on its narrative home ground. Not surprisingly, its attempts have failed to strike a chord.

Debating nationalism ends up giving more oxygen to chauvinism. The Opposition does lack a politician who can match Mr. Modi's appeal. And regional leaders are better off sticking to State-level issues where they are on stronger political ground than trying to reinvent themselves overnight for a national role. In other words, the Opposition needs to stop being reactive and formulate its own counter-narrative.

Lessons from the past

Much has been made of the Congress being reduced to 44 seats in the Lok Sabha. It is taken as a sign of structural weakness in the Opposition camp. Yet, after Independence, in the first five Lok Sabhas, the highest number of seats held by an Opposition party was 44 seats. Did that mean India was 'Opposition-mukt' for a quarter of a century?

History shows us that the Con-

gress's own fall from dominance was sparked by challenges at the State-level, not by a national rival. But that was possible because of the space for political pluralism offered by the 'Congress system'.

The fundamental difference between the 'Congress system' and the 'BJP system' of one-party dominance is the latter's determination to eliminate this pluralistic space. Politically, this is the toughest challenge facing the Opposition, as well as the biggest weakness of the BJP, one that could be tapped to construct an alternative narrative.

Put simply, the Opposition's counter-narrative would need to dwell on two aspects. One, it must convey that the 2019 polls are about choosing between two options: a coalition regime structurally constrained to protect the values of pluralism and federalism, and a stable majority under an authoritarian leadership unlikely to entertain democratic niceties.

Second, the Opposition needs to frame the election as a referendum not on leadership but on democratic values. A massive win for the BJP in 2019 would certainly pose a threat to the historical consensus, established at the time of Independence, which institutionalised pluralism, a degree of federal autonomy, and a democratic framework for nation-building. The Opposition has the simple but onerous task of using its political imagination to bring this threat to the centre of the electoral agenda.

Onus on regional parties

Its political strategy, therefore, must aim for a hung Parliament and a coalition government. An ideal outcome would be one where no party gets more than 170-180 seats. A 'Mission 180 minus', as it were. With such numbers, even a BJP-led coalition government would be a victory for the Opposition, as the objective of safeguarding India's pluralism would have been achieved.

Regional parties are best placed to take the lead here, for they are the ones which would be hardest

hit by a creeping centralisation of power. If they could come together, with or without the Congress, over a single point agenda of protecting India's pluralism, it would obviate the need for a formal pre-poll or seat-sharing arrangement. There is no other way that, say, a Trinamool Congress and a Communist Party of India (Marxist) would come together to battle a common rival that could prove more lethal to both than they have been to each other. Given that the BJP has always struggled more against non-Congress, regional opponents, it is also a more canny electoral strategy.

And in case they still lose badly, they can take heart from the fact that India's political traditions give the Opposition an institutional role disproportionate to their actual numbers in Parliament, through mandatory membership of key committees, appointments panels, and so on. So, regardless of how they fare in 2019, Opposition parties would continue to have a major role to play.

All said and done, Indian democracy has never fared well under powerful parliamentary majorities led by a charismatic Prime Minister unchecked by coalition dynamics. We have two examples, in Indira Gandhi and Rajiv Gandhi. While one briefly downed the shutters on democracy, the other gave a fillip to Hindu fundamentalism and tried to muzzle the press.

The Opposition's success would ultimately hinge on how effective it is in convincing the people that if they value their nation's democratic traditions as much as they do development, they must either elect a coalition government in 2019, or force the 'BJP system' to become more like the 'Congress system', not by importing Congressmen, but by imbuing the values of pluralism and respect for dissent that the Congress stands for in its Nehruvian vision of itself, if not always in reality.

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A time of strategic partnerships

Alliances are passé and only a few continue gingerly from the Cold War era



RAJESH BASRUR & SUMITHA NARAYANAN KUTTY

India pulled out all the stops last week to welcome Japanese Prime Minister Shinzo Abe on the occasion of his fourth annual summit with Prime Minister Narendra Modi. The India-Japan "Special Strategic and Global Partnership" – a designation and status New Delhi accords to no other partner – has reached new heights under the stewardship of the two leaders.

The rise of China and questions about America's commitment in Asia have drawn them into a deepening security-cum-economic relationship. How deep is it? As Mr. Abe wrapped up his visit last Thursday, speculation arose on the possibility of an evolving "alliance" between the two countries given just how much their interests converge. Such analyses, though pointing in the right direction, may not capture the true nature of the India-Japan "strategic partnership."

The India-Japan synergy has two key elements. Japan is investing heavily in strengthening its critical

infrastructure to enhance its economic and potential defence capabilities. Simultaneously, the two countries have begun working on a joint infrastructure development and connectivity drive traversing the Indian Ocean, from Myanmar to Sri Lanka to Iran and encompassing the Asia-Africa Growth Corridor. On defence matters, Japan and India have agreed to establish regular consultations in the "2+2" format of their defence and foreign ministries. Their navies exercise regularly together with the U.S. Navy. And negotiations on arms sales – notably, the Shin-Maywa US-2i amphibious aircraft – are on. Japanese investment in the strategically placed Andaman and Nicobar Islands is likely to help New Delhi establish a major security sentinel in the eastern Indian Ocean.

Strategic partnerships

But this is not an alliance in the making. Alliances are passé and only a few continue gingerly from the Cold War era. We live in a world today driven by "strategic partnerships". States find themselves in an interdependent system where the traditional power politics of yesterday doesn't quite fit. After all, every major relationship characterised by strategic tension such as U.S.-China, Japan-China, India-China is simultaneously one of economic gain. The U.S. and China are



each other's chief trading partners, while China ranks at the top for Japan and India. Besides, India might confront China at Doklam but it also wants Chinese investment.

Strategic partnerships carry certain characteristic features falling short of alliances. First, unlike alliances, they do not demand commitments to a partner's disputes with other countries. New Delhi does not take a strong position on Japan's territorial disputes with China and Russia. Likewise, Tokyo does not openly side with India in its quarrels with China and Pakistan. For instance, Japan's reaction to the Doklam stand-off, though critical of China implicitly, did not go beyond saying that "all parties involved should not resort to unilateral attempts to change the status quo by force." India's reaction to the verdict of the arbitral tribunal on the South China Sea last year, urging "all parties to

show utmost respect for the UNCLOS", reflected a similar dispensation despite Japan's push for a stronger statement. There was also no explicit mention of the South China Sea in the latest joint statement.

Strategic partnership means, first, that both retain the flexibility to continue political engagement and economic cooperation with their common adversary. Second, they avoid "entanglement", or being dragged into a partner's disputes and potentially into conflict, which happened in the First World War. Third, regular high-level political and military interactions facilitate a collaborative approach to strategic policies over a range of economic and military activities. India and Japan, for instance, are not only moving forward on economic and defence cooperation but are also cooperating on other important issues such as civil nuclear energy and Security Council reform.

Given that resort to war is undesirable owing to economic interdependence as well as the presence of nuclear weapons, the aim of major strategic partnerships is to strengthen defences against marginal conflict, convey a determination to stand up to a strategic adversary and, overall, generate a persuasive environment that discourages potential intimidation. Occasionally, as between India and China, a "strategic partner-

ship" is a way of opening a channel of communication and minimal cooperation intended to stabilise and develop the potential for a détente and conceivably something warmer. In this particular case, not much has been accomplished thus far, but it remains a low-cost option for expanding cooperation in the event the political fundamentals of the relationship show an upward swing.

Looking ahead

India's two main strategic partnerships, with the U.S. and Japan, are dovetailing nicely. For New Delhi, the U.S. will remain its chief backer both to enhance India's conventional defence capabilities and to draw political support in global political institutions, for example in components of the nuclear non-proliferation regime. Japan, in the meantime, is becoming its primary collaborator in developing its economic sinews and for building a geostrategic network that offers Indian Ocean states an alternative to dependence on China. Together, the emerging structure of triangular cooperation should give Beijing pause to think.

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LETTERS TO THE EDITOR

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The Rohingya issue

The Centre has taken the right stand in expressing its apprehension over the influx of refugees. Empathy and a humanitarian outlook apart, we should not override sensitive security concerns. Following the recent influx of refugees and the surge in terrorist attacks in France, Spain, the U.K., Belgium and other unsavoury incidents in Germany, the European Union is shutting down borders and erecting border controls. The Rohingya refugee crisis is an issue involving Myanmar and Bangladesh and needs to be settled on an amicable basis, if need be through backchannel initiatives by India (Editorial - "Targeting refugees", September 20). India can additionally extend financial and moral support. Offering the Rohingya refugee in India

is a sensitive issue given the larger dimension of security and the demographic profile of the Northeast. India has serious concerns about migration and related issues. Refugees have been moving out of their countries due to economic, political and social reasons. The fear, as a leading academician has said, is that "democratic and nationalist movements can be taken over by transnational terrorist groups". India is relatively a safe nation but that does not mean it has to spend its scarce resources on large security and social services which bona fide citizens need more urgently.

H.N. RAMAKRISHNA, Bengaluru

The stand taken by a government on any issue related to national security cannot be and should not be challenged. It is the

executive which knows the state of affairs better than ordinary people who are moved by emotions. Obligations under international convention and humanitarian considerations are subservient to national security interests. However, the government can extend its good offices in settling an internal issue of its immediate neighbour without endangering its own national security ("In Vivekananda's country?", September 20).

SURESH RANGARAJAN, Thiruvananthapuram

The Centre's hard-line stance, that it perceives the Rohingya to be a potential threat to national security, is unfortunate. India has over the decades built a reputation for giving asylum to persecuted refugees on humanitarian grounds. To

arbitrarily brand these stateless refugees as having links with terror outfits defies logic and rationale. The photograph of children at a Rohingya refugee camp in New Delhi evokes pity. Also, the Rohingya are reluctant to return to their homeland, traumatised as they are, despite assurances by Myanmar leader Aung San Suu Kyi ("Suu Kyi promises to resettle 'verified' Rohingya refugees", September 20). India needs to adopt a holistic and humane approach.

P.K. VARADARAJAN, Chennai

Aung San Suu Kyi has let down the international community by neither addressing their concerns nor coming up with a concrete solution to the ongoing Rohingya crisis. As a de facto leader, this was

the chance she had to prove her credentials as a worthy laureate for peace. Unfortunately, in her stint as State Counsellor of Myanmar, she has performed dismally below the mark and dashed the hopes of her well-wishers.

BAQUIR SADAR, Kochi

Sorabjee interview

The hallmarks of former Attorney General Soli Sorabjee's interview were dispassion, empathy and limpidity of a high order ("The Wednesday interview - 'If dissent is not allowed, it'll take different forms'", September 20). He minced no words in deriding growing intolerance and a gagging of dissent while he defined the contours of sedition and privacy with consummate ease and skill. His wise words against deporting the Rohingya, it is

hoped, will not fall on deaf ears.

AYYASERI RAVEENDRANATH, Aranmula, Kerala

Safer driving

The use of technology to enable a safe driving experience is always welcome, and in this regard the move to install laser-enabled speed detectors by the Tiruvallur police in Tamil Nadu is appreciable (Some editions, "Laser-enabled detectors to check speeding on highways", September 18). But data show that drunk driving is a more serious issue than overspeeding, with figures rising every month. Drunk driving is a major reason behind accidents. The police should look at targeting motor drunk driving.

W. CATHRYN SHIRLEY, Chennai

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