

8 EDITORIAL



GST shortfall

As the tax collections remain below target, it may be time to recalibrate expectations

Revenue collections from the Goods and Services Tax (GST) are going too far off the mark for comfort. Inflows declined for the second consecutive month in December to ₹94,726 crore from ₹97,637 crore in November and ₹1,00,710 crore in the month before. Between April and December, GST collections have averaged about ₹96,800 crore, and have not even once met the monthly target of ₹1,06,300 crore, going by the Union Budget math for 2018-19. Now in order to achieve the year-end target, GST collections over the next three months will have to reach an average of ₹1,34,900 crore. But given the spate of tax rate cuts announced by the GST Council in December that kick in this month and Prime Minister Narendra Modi hinting at further rationalisation of rates for construction materials soon, the pressure on revenues is likely to persist. Separately, as the government looks to woo traders and small businesses back to its electoral fold, the Council is considering a relaxation in the GST norms for micro, small and medium enterprises by raising the annual sales threshold for compulsory GST registration from ₹20 lakh to over ₹50 lakh. Such a relaxation, along with regulatory steps like greater forbearance for small business loans, will boost sentiment among such firms, but it will further dent the tax kitty. Other revenue heads, including direct tax or disinvestment receipts (even via innovatively structured intra-public-sector deals), are unlikely to be adequate to plug the GST shortfall.

This poses a challenge for the Centre at a time when it would have been hoping to announce some populist measures ahead of elections, while retaining its macro-economic management credentials. States' revenue collections under the GST regime have been uneven and a GST Council panel is examining inter-State variations. But the Centre is bound to compensate States for revenue shortfalls for the first five years of the GST regime. Unless the Centre decides to drop its fiscal deficit goals, a squeeze on spending, including planned capital expenditure, may be the only option. There is a more problematic aspect to the dip in GST collections, based on economic activity and compliance trends in November. The total number of returns filed that month hit a high of 72 lakh from 55 lakh at the beginning of the fiscal, yet revenues fell. November also marked the onset of India's festive season, with a late Deepavali. Yet, the higher compliance and the festive fervour translated into collections lower than the average monthly receipts for the year till date. Though India's growth fell to 7.1% in the second quarter of this fiscal, an uptick in private investment over the same period was considered a sign of revival. But if consumers are not confident enough to spend, a consumption-led investment revival to take the economy to an 8% growth path seems elusive again.

Caught in a crossfire?

Spats over detention of Canadians in China reflect the scale of the U.S.-China trade war

The diplomatic row between Beijing and Ottawa over the detention and treatment of Canadian nationals in China continues to escalate, to the detriment of bilateral relations. But more serious could be the implications of the standoff for the ongoing trade war between China and the U.S. The spat goes back to the detention on December 1 of a top Chinese telecom executive in Vancouver, who has since been released on bail, in response to a U.S. request. Washington wanted custody of Meng Wanzhou, the chief financial officer of Huawei and the daughter of the company's founder. Her arrest was part of the U.S. Justice Department's ongoing criminal probe into the company's sale of telecommunications equipment to Iran, a potential breach of sanctions against Tehran. But the arrest is also seen in the context of the caution in much of the West against Huawei's potentially winning bids as 5G communication networks are adopted, on grounds of a security threat. The military background of the Huawei founder has only raised speculation about the firm's connection to the Chinese defence and intelligence services. Conversely, the U.S. has invoked a rare national security provision under domestic law to impose punitive tariffs on global steel and aluminium imports. A similar investigation is under way specifically to determine the risk to domestic security from alleged Chinese intellectual property abuses. In addition, Beijing's "Made in China 2025" industrial policy has aroused deep suspicion in the U.S. about the persistence of state subsidies to prop up indigenous firms. It is therefore speculated that Washington has its lens trained on Huawei, which has emerged as the world's largest telecommunications equipment maker, surpassing Sweden's Ericsson.

Meanwhile, there is concern that Canadian residents in China may face retribution for Ms. Meng's detention. A Chinese court last week ruled as too lenient the 15-year sentence against a Canadian convicted of drug-related offences. A former diplomat who was arrested has apparently been denied legal representation, although Canadian embassy officials were permitted to visit him. Another Canadian was detained for alleged transgressions of national security. Given the climate of mistrust between the U.S. and China, it is hard to dispel the perception that Canada has got caught in the crossfire. In fact, the Canadian Foreign Minister has suggested that President Donald Trump should desist from using the episode as a bargaining chip in trade disputes with China. But it is conceivable that Chinese trade concessions to de-escalate tensions could pave the way for a resolution of the standoff over Huawei. That would likely satisfy the hawks in Washington who fear that the U.S. is ceding its technological dominance to China.

Religion vs religious nationalism

The starting point for anti-Hindutva politics must be the distinction between Hinduism and Hindutva. Else, it's doomed



VARGHESE K. GEORGE

Any rigid secular approach, unrestrained by considerations of electoral politics, could only lead to disapproval of Congress president Rahul Gandhi's demonstration of his religious faith and his characterisation of the Congress as a "party of Hinduism". His approach has been widely termed "soft Hindutva", and as an attempt to compete with the Bharatiya Janata Party (BJP) in its game. Those who deride Hindutva and those who swear by it both consider Mr. Gandhi a poor imitator of it. Centrist politics by definition is vulnerable to criticism from radical perspectives of different hues – for instance, Marxist M.N. Roy, Dalit leader B.R. Ambedkar and Hindutva proponent, and later his assassin, Nathuram Godse, were all critical of Mahatma Gandhi's ideas of Hinduism. What is worth a closer analysis in the current context is the suggestion that the invocation of Hindu symbols for electoral gains is Hindutva, albeit a softer version.

A clear trajectory

Mainstream Indian nationalism and Hindu nationalism shared a range of symbols and personalities during their formative decades, and distinguishing one from the other can appear a challenging task often. Consolidation of the Hindu society was a preoccupation of several reformists and leaders of the struggle for independence, who were not linked to

Hindutva. In a classic essay written in the 1990s, at the peak of the Ram Janmabhoomi movement, historian Sumit Sarkar marked the stages of the evolution of Hindu nationalism in two distinct phases: first from the use of the word Hindu as a geographical marker to 'Hinduism', an attempt to codify the cultural and religious practices, and then to Hindutva. Swami Vivekananda was the seer of the first shift. "Of the Swami's address before the Parliament of Religions, it may be said that when he began to speak it was of the religious ideas of the Hindus but when he ended, Hinduism had been created," wrote Sister Nivedita, the Swami's closest disciple. Three decades later Veer Savarkar, who invented Hindutva, did not merely seek to unify Hindus, but tried to achieve it by imagining the other as those who do not consider India their sacred land. While secular nationalism's adversarial image was imperialism, the edge in Savarkar's Hindutva was against Muslims and Christians. Vivekananda's Hinduism had no enemy figure.

The political rise of Hindutva has been directly proportionate to the success of its proponents' attempts to equate itself with Hinduism.

The Gandhi-Nehru way

For Gandhi, Hinduism was the essence of his existence, but even the avowedly secular Jawaharlal Nehru was not dismissive of faith and tradition. *The Discovery of India* draws from sacred texts and beliefs; "though I have discarded much of past tradition and custom... yet I do not wish to cut myself off from that past completely," he wrote in his will, asking for some of his ashes to be immersed in the Ganga.



P.K. RADIGER

The vertical rise and the horizontal spread of Hindutva challenge its opponents to devise new political idioms. A puritan view is that Hindutva can be challenged only with an unyielding secular paradigm, devoid of Hindu symbols. Those leaders and parties that are directly involved in electoral politics are more conflicted on these questions than those who have the convenience of a quarantined approach. In the early 2000s, when critics began to use the neologism saffronisation to describe the A.B. Vajpayee government's policies that advanced Hindutva, within the Congress there was a debate on the wisdom of it. A.K. Antony and Digvijay Singh vehemently opposed the expression, arguing that it amounted to legitimising the Hindutva agenda given the cultural association of the colour saffron with sacrifice and renunciation. The Congress discontinued use of the word.

Other parties too have used Hindu symbolism and terminology. Rashtriya Janata Dal leader Lalu Prasad, whose mastery of electoral politics broke the Hindutva momentum in Bihar, connects his community to Lord Krishna. "Haathi nahin Ganesh hai, Brahma Vishnu Mahesh hai (this is not merely an elephant, but is Lord Ganesh; and Brahma Vishnu Ma-

hesh)" was the Bahujan Samaj Party's 2005 slogan referencing its election symbol, the elephant. Groups associated with the Communists Party of India (Marxist) in Kerala recently organised events around Ramayana month. "The Sangh has created a particulate image of Ram, that a majority of the faithful do not relate to," said V. Sivadasan, CPI(M) State committee member, who was closely associated with the programme. "Given this context, it is the duty of the secularists to come in support of the believers who understand Ram different from the way the RSS (Rashtriya Swayamsevak Sangh) tries to make him. All secular people have this responsibility to help protect the plurality of faith that exists among religious people."

Whether or not these attempts add up to a robust and credible challenge to Hindutva is an open question. However, the notion of 'soft Hindutva' is detrimental to anti-Hindutva polemics and mobilisation.

For one, it ignores the tactical components of electoral politics, which the moralist might dismiss as opportunism, for good reasons. What is more critical is that the notion of expressive faith as 'soft Hindutva' is an inadvertent endorsement of the Hindutva claim that it is equivalent to Hinduism. The proponents of Hindutva also acknowledge the existence of 'hard' and 'fringe' elements within its fold. Categories of soft and hard, being relative terms, trick moderates and offer an alibi to opportunists to side with the softer versions – Vajpayee against L.K. Advani, Mr. Advani against Narendra Modi, and who knows, perhaps Mr. Modi against Yogi Adityanath in the future?

Any equivalence between Hin-

duism and Hindutva, conversely, is taken to mean that any criticism of Hindutva is an attack on Hinduism. That one could be accused of being anti-Hinduism for questioning the logic of building a temple on the site of a destroyed mosque at Ayodhya draws from the logical premise of likening Hinduism to Hindutva. To take another example, the Hindu American Foundation claimed recently that even the questioning of 'Brahminical patriarchy' is a an act of Hindu-phobia.

To Hindutva's advantage?

And most consequentially, any polemical negation of the wall between Hinduism and Hindutva makes the transition from the first to the second easier. It could even encourage believers to consider Hindutva their natural political abode, if they sense hostility in the anti-Hindutva camp. If non-Hindutva platforms expect templegoers to explain their conduct, that is not an enticing recruitment pitch. The fact is that there are numerous people who visit temples and even believe in vastu, astrology, tantra, etc. while still being secular in a political and public context.

The only politics that benefits from associating Hinduism to Hindutva is Hindutva. The practice of Hinduism, even when it is exhibitionist and for political ends, is not Hindutva – soft or hard. Hindutva stands out for its conceptual clarity, leaving little scope for a spectrum within it. A manifesto for any durable anti-Hindutva politics is still a long way away, but its singular starting point is an assertion of the distinction between Hinduism and Hindutva. Anything else is doomed.

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Powering South Asian integration

The new electricity guidelines are a first step towards creating a true regional market



ADITYA VALIATHAN PILLAI

On December 18, the Union Ministry of Power issued a seemingly anodyne memo that set the rules for the flow of electricity across South Asian borders. Evaluated against the turbulent politics around the issue, the new guidelines are a startling departure from India's previous stance. In an atmosphere of regional intrigue and mistrust, it is a rare and recent example of political pragmatism. It is important not only because it leads South Asian electricity trade in progressive directions but is also a concession to India's neighbours in an area of political and economic importance.

A course correction

The revision is a response to two years of intense backroom pressure from neighbours, particularly Bhutan and Nepal, to drop trade barriers put up in 2016. The new guidelines meet most of their demands, that were timed to coincide with the recent visit of Bhutan's new Prime Minister. India has thus signalled that it is serious about working with neighbours on the issues that should undergird 21st century South Asian regionalism, such as electricity trade.

This course correction is a re-

turn to a trajectory of incremental, hard-earned progress developed over the decades. Ideas of tying South Asian Association for Regional Cooperation (SAARC) countries together with cross-border energy flows – that punctuated the early 2000s – began to gain steam with substantial power trade agreements between India and Bhutan (2006) and Bangladesh (2010). These were driven by India's need for affordable power to fuel quickened growth in a recently liberalised economy.

The apotheosis came in 2014 with the signing of the SAARC Framework Agreement for Energy Cooperation and the India-Nepal Power Trade Agreement in quick succession. The new government in New Delhi was keen on regional cooperation, and these agreements imposed few restrictions on trade. Instead, they laid the contours of an institutional structure that would allow private sector participation and facilitate market rationality in electricity commerce. At the Fifth SAARC Energy Ministers' meeting that year, Power Minister Piyush Goyal said he dreamt of 'a seamless SAARC power grid within the next few years' and offshore wind projects 'set up in Sri Lanka's coastal borders to power Pakistan or Nepal'. Yet, two years later, the Union Ministry of Power released guidelines that imposed a slew of major restrictions on who could engage in cross-border electricity trade.

There was a strong undercurrent of defensiveness in the guidelines of 2016. They seemed to be a



GETTY IMAGES/ISTOCKPHOTO

reaction to perceptions of increased Chinese investment and influence in the energy sectors of South Asian neighbours.

Some irritants

The guidelines prevented anyone other than Indian generators in the neighbouring country, or generators owned by that country's government, from selling power to India. Excluded were scores of privately held companies, particularly in Nepal, that had hoped to trade with India. In restricting access to the vast Indian market, the economic rationale for Nepali hydropower built for export was lost. Bhutan was worried about a clause that required the exporting generation companies to be majority owned by an Indian entity. This created friction in joint ventures between India and Bhutan. Bhutan also fretted about limited access to India's main electricity spot markets, where it would have been well placed to profit from evening peaks in demand. Bangladesh had sensed an opportunity to partially address its power crisis with imports from Bhutan and Nepal routed through Indian territory but the guidelines complicated this by giving India disproportion-

ate control over such trade.

After two years of protests from neighbours, the new guidelines resolve all these issues and restore the governance of electricity trade to a less restrictive tone. Earlier concerns that India was enabling the incursion of foreign influence into neighbouring power sectors seem to have been replaced by an understanding that India's buyer's monopoly in the region actually give it ultimate leverage. More broadly, India seems to have acknowledged that the sinews of economic interdependency created by such arrangements have the political benefit of positioning India as a stable development partner rather than one inclined to defensive realpolitik.

Tool for a greener grid

A liberal trading regime is in India's national interest. As India transitions to a power grid dominated by renewables, regional trade could prove useful in maintaining grid stability. Major commitments to renewables, which could amount to half of India's installed power within a decade, have prompted justifiable concerns about stabilising the grid when the sun goes down or in seasons when renewables are less potent. Harnessing a wider pool of generation sources, particularly hydropower from the Himalayas that ramps up instantly as India turns on its lights and appliances after sunset, could be an important instrument in achieving a greener grid. Nepal and Bhutan have long recognised that their

prosperity is tied to the sustainable use of vast hydropower reserves.

The new guidelines are a tentative first step towards the creation of a true regional market in which generators across the subcontinent compete to deliver low-cost, green energy to consumers. Since this would soften the hard borders of South Asia, it is essentially a political vision. The new guidelines are a significant step in this direction because, for the first time, they allow tripartite trading arrangements, where power generated in a country is routed over the territory of a neighbour to be consumed in a third. This is a crucial move towards the evolution of complex, multi-country market arrangements. Such markets require the construction of regional institutions that absorb the politics and manage the technicalities of electricity trade. At present, this function is managed by the Indian state because of its geographic centrality and the ready availability of institutions that manage its domestic power sector. As volumes increase and experience in regional trade grows, South Asian nations might feel the need to build joint, independent regional institutions that proffer clear and stable rules of the road. The political vision to create this – felt in the new guidelines – must be maintained.

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LETTERS TO THE EDITOR

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

Peace overture

Amid escalating India-Pakistan hostilities, it comes as a whiff of fresh air that as a follow-up to the release of India's Hamid Ansari and Pakistan's Imran Warsi, in December 2018, the estranged South Asian neighbours have decided to herald in 2019 with a goodwill gesture of exchanging lists of prisoners (Page 1, "India, Pak. move towards release of civilian prisoners", January 2). However small or fragile the olive branch extended to each other by India and Pakistan might be, the thaw in bilateral relations, that have been mutually destructive, needs to be welcomed. The relentless efforts of peace activists to usher in some peace between the warring

neighbours seems to have paid off to some extent. It cannot be refuted that many of the prisoners are innocent fishermen who have unwittingly strayed into enemy territory.

NALINI VIJAYARAGHAVAN, Thiruvananthapuram

India's long-forgotten "Neighbourhood first" policy now gets a push when seen together with positive developments in India-Maldives and India-Bangladesh ties as well. We need to keep the spirits high and not just solely focus on larger and distant nations.

ANJALI BHAVANA, Thiruvananthapuram

Now that there is significant development on the exchange of information on prisoners, India must

make an earnest effort to find out the fate, in Pakistan, of Indian prisoners of war of 1971 – nearly 60 personnel. Much has been written about them but little is known about their well-being. Their families need to know what happened.

DARIUS KHAMBATA, Mumbai

Modi interview

Prime Minister Narendra Modi's clarification that any decision on an ordinance on the construction of a Ram temple at Ayodhya will be after the judicial process is completed must have answered concerns and queries (Page 1, "Modi rules out ordinance on Ram temple for now", January 2). He is right in saying that farm loan waivers do not benefit farmers; hence making

available institutional credit to farmers and educating them on this aspect is the way forward. The Congress's reaction to the interview is on expected lines as the party always speaks in negative terms against Mr. Modi ("Full of 'I's and lies": Congress, January 2).

C.G. KURIKOSE, Kothamangalam, Kerala

The entire discussion, with easy and non-controversial questions, enabled the Prime Minister to field replies with absolute ease. The interviewer very carefully avoided controversial questions. It sounds reasonable that spokespersons of the Congress party have reason to be critical.

THARICUS S. FERNANDO, Chennai

Ever since the results of the five State elections, there has been a palpable change in the attitude of Mr. Modi. Many of his answers, such as going soft on the temple issue, the poll pitch that it will be people versus a coalition, the stance on triple talaq and Sabarimala and on RBI Governor Urjit Patel's resignation, all point towards only one objective – to somehow retain power.

G.B. SIVANANDAM, Coimbatore

The Indian XI

The report, "Cheteshwar Pujara – the man for all

reasons and seasons" ('Sport' page, January 2), is a re-affirmation of the reality that the managers of the Indian team need to think carefully whenever they pick and choose the playing eleven. Virat Kohli is definitely realising that Pujara is the most consistent Test player in the team and needs to be there for the long haul. Too much tinkering with the team composition could play havoc with the careers of talented players.

SAURABH SINHA, Bhilai, Chhattisgarh

MORE LETTERS ONLINE: www.hindu.com/opinion/letters/

CORRECTIONS & CLARIFICATIONS:

>>A story titled "Parliamentary committee irked by States' insensitivity to Western Ghats" (Jan. 2, 2019) inadvertently referred to over 56,000 kilometres of ecologically sensitive areas in the Western Ghats. It should have been over 56,000 square kilometres.

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