



Valley of flaws

New Delhi will have to engage with all stakeholders in finding a solution in Kashmir

The Jammu and Kashmir State government's decision to abruptly end the Amarnath pilgrimage, at least a fortnight ahead of schedule, citing terror threats, is intriguing. The announcement came close on the heels of an unexplained troop surge in the State, already one of the most militarised regions of the world. Governments usually tend to be miserly with information, and on questions related to national security they are more stridently so. By the very nature of the security apparatus, it is impossible for Parliament, the media or the general public to access information that is not voluntarily provided by the executive. Hence, it is imperative to accept the State government's position that the decision on curtailment of the yatra season was taken "keeping in view the latest intelligence inputs of terror threats, with specific targeting of the yatra, and given the prevailing security situation in the Kashmir Valley". There could be valid professional and tactical reasons for the limited transparency in security management. But the Narendra Modi government has stretched this principle to intolerance to request for transparency in general, often questioning the patriotism of those seeking meaningful information.

This government has been unequivocal and outspoken about its intentions to push forward with annulling the special status that Jammu and Kashmir is accorded in the Constitution through Articles 370 and 35A. The government is clear that there is nothing to negotiate with anyone in the Valley or about the Valley with anyone. An interlocutor appointed by the Centre is defunct. The BJP and the Centre have also been pursuing a policy of undermining the mainstream political parties in the State through administrative measures and political rhetoric. True, the governance track record of the Peoples Democratic Party and the National Conference falls far short of inspiring; nevertheless, these parties have been integral to the ways in which New Delhi engaged with the Valley. Pakistan may be puppeteering the separatist Hurriyat, but New Delhi will have to engage with all stakeholders in resolving the conflict in the Valley. Unfortunately, the first BJP government with a majority of its own in the Lok Sabha has instead upended the policy of the first Vajpayee-led BJP government which sought to strengthen the regional parties, engage the separatists and Pakistan to make progress towards peace. In recent years, the situation in the Valley has worsened and tensions between India and Pakistan have become aggravated. New Delhi quite rightly rebuffed U.S. President Donald Trump who, evidently in search of an arena for peacemaking after failing to make headway with North Korea, offered to mediate. But while dealing directly with the challenge in Kashmir, it must realise any misstep can be costly.

At a crossroads

India's transport sector needs reform; changes to the Motor Vehicles Act are a start

India's Motor Vehicles Act, 1988 has remained in hibernation, unable to meet the needs of a large economy that is witnessing rising travel demand, fast-paced motorisation, major shifts in technology and deteriorating road safety. The amendments to the Act voted by Parliament seek to address some of these challenges, notably in forming a National Transportation Policy and a National Road Safety Board, providing for stiffer penalties for violation of rules, and orderly operation of new-generation mobility services that use mobile phone applications. Union Transport Minister Nitin Gadkari has countered the charge that the changes are anti-federal in character – the proposed amendments were reviewed by 18 State Transport Ministers, and the Bill reflects the modifications they suggested. Also, the Rajya Sabha introduced last-minute changes, making concurrence of, rather than consultation with States necessary when issuing fresh schemes for national, multimodal, and inter-State transport. This new provision also includes last mile connectivity, accessibility, mobility as a whole and rural transport. There is a dire need for reform in these areas, and State governments have tended to ignore these aspects. During the previous NDA government, Mr. Gadkari blamed obstruction by a 'corrupt' Regional Transport Office system for the delay in amending the MV Act. An amendment in the Rajya Sabha allows for RTOs to visit dealerships to register vehicles. This is not much of a change over the practice of dealers taking vehicles to RTO offices. The onus is on States to show that the purchaser will not have to pay a bribe.

Going forward, the Centre must deliver on its promise that the amended Act will help reduce dependence on personal vehicles, and present its National Transport Policy without delay. States must be incentivised to provide clean, comfortable and affordable services for all users, including people with disabilities. It is relevant to point out that the National Urban Transport Policy of the UPA failed to achieve this. Mr. Gadkari's emphasis is on structural reform and an upgrade to subsidised electric buses for low-cost air-conditioned travel. But State Transport Corporations must adopt modern management practices. New regulation can certainly shake up the status quo, facilitating transparent investment by any intending operator and removing vested interests, particularly in inter-State and multi-State coach services. But some of the other amendments are less promising. A sharp increase in fines has little chance of improving safety. Studies show that sustained, zero tolerance enforcement of even small fines reduces violations, while stringent penalties are either not enforced or lead to more bribery.

Explaining the Asian rate cuts wave

Policy makers across Asia should ensure enough ammunition to manage a prolonged economic downturn



RAMKISHAN S. RAJAN

The latest International Monetary Fund (IMF)-World Economic Outlook update in July 2019 has confirmed a growing belief that global growth has decelerated and dark clouds seem to be looming in the near term. Specifically, the IMF has downgraded global growth multiple times since October 2018 and now projects it to be 3.2% compared to 3.6% in 2018.

The China factor

While the deceleration in economic activity is broad-based among both the advanced and developing economies, particular attention should be paid to China. The country has faced strong headwinds to growth both because of the ongoing supply-side reforms, including dealing with financial risks (reining in of shadow banking and hidden debt of local governments), as well as the negative effects of escalating tariffs and their consequent impact on its exports and investment. It is noteworthy that China is one of the few major economies that is expected to continue to decelerate into 2020 (along with Japan which is faced with acutely unfavourable demographics and seems unable to escape persistent deflationary pressures).

As corporates look to reconfigure their China-centric supply chains (both in response to the ongoing policy uncertainties and rising protectionist sentiments), many export-dependent Asian economies that are a part of the intricate production networks have also inevitably been hard hit. While there have been some short-term beneficiaries of the export and trade diversion from China to

countries such as Vietnam, the global external demand slowdown has more than outweighed these gains. For instance, given Singapore's small size and acute openness, it has often acted as a recession barometer for the rest of Asia. Latest data show that exports from the city state have collapsed and the Singapore economy is expected to face stagnation in 2019 on the back of a sharp slowdown in the manufacturing sector. This does not bode well for other trade-dependent economies in the region.

Asian banks to the rescue?

In response to the global economic slowdown as well as generally subdued inflationary pressures, many Asian central banks (India, China, Indonesia, Malaysia, the Philippines, South Korea) have begun to ease monetary policy. However, this generalised loosening has happened largely following the recent signals from the U.S. Fed that it is set to embark on a new round of rate cuts in response to the slowdown in the United States and the rest of the world. In fact, in his congressional testimony on July 10, 2019, chairman Jerome Powell emphasised the slowing in global growth as the main reason for the Fed moving towards a more accommodative stance, leading some to suggest that he has become the "world's central banker".

The recent wave of rate cuts in Asia is consistent with research which suggests that emerging economies tend to be cautious about lowering interest rates when the base country (usually the U.S.) does not do so as they are concerned about potential capital flight and sharp currency depreciations which in turn could have negative repercussions on domestic firms and other entities with unhedged external borrowings in foreign currencies. However, when interest rates in the base country decline, while emerging



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economies may experience massive surges in capital inflows if they stand pat on interest rates, they can maintain monetary policy autonomy via a combination of sterilised foreign exchange intervention (leading to sustained reserve accumulation) as well as tightening of capital controls and/or use of macro prudential policies (MaPs).

Alternatively, if the emerging economies are themselves faced with an economic slowdown, they are comfortable lowering their interest rates along with the base country, as is the case currently in Asia. This said, it is wise for Asian policy makers to ensure that they have enough ammunition to manage a prolonged downturn given that 2020 is "precarious" with many downside risks, as the IMF's chief economist, Gita Gopinath, put it.

RBI's monetary policy stance

Where does all of this leave India? On the one hand, since India has not been well-integrated with the Asian and global supply chains, it has not been as impacted directly by the China-U.S. trade war. On the other hand, given existing acute domestic bottlenecks, policy missteps and ongoing structural challenges, India has not been able to reap significant benefits as an alternative production and export platform to China.

On the back of a prolonged downturn in the capex cycle, the IMF has downgraded projected growth for India to 7% in 2019.

The taproot of conservation justice

Cutting down the Forests Right Act will only weaken the conservation regime and affect the rights of forest dwellers



RAVI CHELLAM

I have had the good fortune to work in, visit and learn about protected areas and wildlife habitats across India since 1980. Beginning in the late 1980s, I have written and spoken about the ecology and conservation of Indian wildlife to numerous and varied audiences. One question that is invariably asked by foreigners is how India has managed to conserve such a diversity of wildlife given its large population and development challenges. To me it has always been clear that the tolerance and, in many cases, the reverence that local communities have for Nature has been absolutely vital for the sustained success of the conservation efforts of the government and other agencies. Not to forget the widespread and long conservation track record of the local communities; the state of sacred groves is a very good example.

The Forest Rights Act (FRA) is a

piece of social legislation which aims to address the historical injustice that our forest dwelling communities have had to face for nearly 150 years by providing them with security of tenure over land for cultivation and habitation through individual rights. It also provides access to a variety of resources through more than a dozen types of community forest rights. The FRA also empowers forest dwelling communities to protect, regenerate, conserve and manage any community forest resource which they have been traditionally protecting and conserving for sustainable use. It has the provision for creating critical wildlife habitats within protected areas which currently is the strongest conservation provision among existing laws of the country.

Legal challenges

It is extremely unfortunate that the very constitutionality of the FRA was challenged in the Supreme Court in 2008 by about half a dozen conservation organisations. The court has tagged many other cases including from several High Courts which are currently being heard jointly. The court's order of February 13, 2019 since put in abeyance by its order dated Fe-



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bruary 28, 2019 highlights the very tardy implementation of the FRA by the State governments.

One of the key arguments of the petitioners has been that it is beyond the legislative competence of Parliament to enact the FRA as 'land' is a state subject. Tenuous as this is, if this argument of the petitioners is accepted, the Wildlife Protection Act and the entire architecture of forest laws will have to be dismantled as *ultra vires* as all of them deal with 'land', including the Indian Forest Act and the Forest (Conservation) Act.

The February 13 order of the Supreme Court directs the eviction of lakhs of forest dwellers whose claims have been rejected under the FRA. With recent media reports showing that many State governments have admitted to the Supreme Court that their implementation of the FRA has been incomplete and flawed – with due

process not having been followed especially while rejecting claims – the misguided and unmeritorious nature of this whole legal challenge becomes very clear.

What the FRA is

The FRA has been savagely criticised as a land distribution legislation, which it is not. The FRA very clearly states that forest dwellers who are either Scheduled Tribes or Other Traditional Forest Dwellers are only entitled to claim both individual and community forest rights through a clear process of submitting a claim and after its verification and subsequent approval or rejection. For the rejection cases, an appeal process has been outlined. The FRA aims to only confirm tenure and access rights which in some sense the forest dwellers have been exercising de facto but under severe restrictions and control especially by the forest department. In fact, it is the failure of the state to settle pre-existing rights under existing forest and conservation laws that created the situation of historical injustice.

The FRA does not sanction any fresh clearance of forest, as individual rights over land will only be granted if the forest dweller was in possession of that parcel of land

price competitiveness boost is especially of concern given that external demand is expected to remain subdued and uncertain and other regional currencies may themselves face depreciations pressures following the dovish policy stances by their central banks which could possibly translate to further REER appreciation in the rupee.

Sovereign bond issue

Going forward, if India is to succeed in its ambition of becoming a \$5-trillion economy by 2024-25, there can be no substitute for undertaking the necessary structural reforms needed to jump-start private investments and longer-term growth. However, in the short term, in all likelihood, monetary policy will have to remain accommodative (more so than what it is currently) and much greater attention will be needed to be paid on how to revive public capex without raising the cost of capital further.

In the face of constraints in raising revenues in a slowing economy, the government's preferred solution seems to be to issue overseas sovereign bonds rather than streamline subsidies and revenue expenditures. The proposed \$10 billion sovereign issuance is manageable *vis-à-vis* the countries stock of forex reserves, while India's sovereign external debt (as share of GDP) is modest at present. However, increases in external borrowings add an additional element of risk to the economy. Such a move also likely complicates monetary policy further, as any adverse exchange rate movements will lead to a ballooning of interest payments on government debt which is already eating up around a quarter of budgetary spending. It is not clear that the current policy mix is ideal for India.

Ramkishan S. Rajan is a Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore

LETTERS TO THE EDITOR

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Late intervention

The Supreme Court has finally intervened, but only after the Unnao survivor almost lost her life due to an 'accident' (Front page, "SC transfers Unnao cases to Delhi court," August 2). The Yogi Adityanath government failed miserably to bring justice to the girl and erred by not distancing itself from the accused MLA. The girl's situation reflects the helplessness and vulnerability of those who dare to wage a legal battle against the mighty. The Centre, meanwhile, seems to have no time to reprimand the State government. The Mahatma's statement that India would have achieved Independence only when women "can walk freely on the roads at night" seems wishful thinking more than seven decades after Independence. India has

not just failed the 19-year-old rape survivor but all its women as laws have not taken effect.

G.B. SIVANANDAM,
Coimbatore

More troops in Kashmir

The Centre's decision to deploy more troops in Kashmir reflects its insecurity and will only alienate the Valley's people more (Front page, "25,000 more troops being deployed in J&K," August 2). The pluralistic ethos of Jammu and Kashmir has been harmed not just by the ineffectiveness of successive State governments but also by the overbearing authority of the Centre. It is no coincidence that the new Unlawful Activities Prevention Act has been passed at a time when discontent among the Kashmiris is at a high. Neither guns nor ballots

will work in this scenario and the need of the hour is to create a forum where lives can be discussed instead of bodies.

MADHUR MOHAN SHARMA,
Jammu

Tipu's legacy

The writer has laid out her case with honesty and persuasion (Editorial page, "Marking Tipu's legacy to foster historical temper," August 2). It has been amply documented in relation to the actions of many kings, emperors and chieftains of the past that political opportunism and economic considerations had a bigger part to play than pure bigotry. Even the plunder of Somnath temple was more due to its wealth than its idolatry. As the writer says, understanding multiple perspectives and narratives of the past and learning from them would be a more intelligent way of

making peace with history than waging a perennial war with the era gone by.

ANILKUMAR KURUP,
Thiruvananthapuram

The writer has rightly called for an unruffled discourse in the wake of misperceptions and misinterpretations of our very own past. This would help people understand the historical figures in a comprehensive manner and allow them to come to conclusion by themselves, rather than get guided by the premature judgments. Such historical temper will help everyone see the circumstances in which our forefathers acted. The principle of natural justice, *audi alteram partem*, will thus be respected as buried historical icons will be given a chance to present their arguments before us.

BITRA RAGHUVI,
Mangalagiri, Andhra Pradesh

Haider Ali, who wrested power of the Mysore kingdom from the Wodeyars and later offered strong resistance to the British forces, was a harsh dictator but was secular by temperament and mindful of the Kannadiga Hindu majority, its tradition and culture. His son Tipu, on the other hand, alienated the majority by his imposition of Persian language and Islamic culture. His finance regulations were in favour of Muslims and his officials were corrupt, extracting their pound of flesh from the poor. As for the treatment of women he forcibly brought into captivity, the less said the better. In the end, it was his tyranny and bigotry that led to his downfall.

NAGESH HAVANUR,
Bengaluru

IOC's threat

The Indian Olympic Association's threat to

boycott the 2022 Birmingham Commonwealth Games, to protest against the exclusion of shooting events, is a blunder and should be reconsidered. Such a decision will ruin the career of many budding/young sports personalities. Petty ideological differences, which led to some countries boycotting the 1980 Moscow Olympics and 1984 Los Angeles Olympics, had a negative impact on the career of many sporting legends. India's decision not to send its Cricket teams to the 2010 and 2014 Asian Games also affected its medals tally. Being the biggest Commonwealth country, India should pressure the federation to change its decision rather than make the hasty move of withdrawal.

VASISHT M.C.,
Kozhikode

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