Timely refresh

The data set revision for the IIP and WPI reflects a macroeconomic resilience

The latest revisions to the base year for the Index of Industrial Production and the Wholesale Price Index reveal an overall macroeconomic picture that is at once heartening, given the underlying resilience reflected in the data. IIP data founded on the new base year of 2011-12 show that industrial output has grown annually at an average pace of 3.82% over the last five fiscal years, with a 5% rate of growth in the 12 months ended March 2017. Contrast this with the 1.42% average pace based on the previous 2004-05 base year, with 2016-17 showing a paltry 0.7% expansion. It is clear that the change in the base year with accompanying changes to weights of the component sectors, and restructuring of the individual sectoral constituents have all helped signal industrial activity as having been far more robust over the entire time period than had been previously posited. The caveats and explanations too need to be mentioned upfront. For one, the simultaneous updating of the base year for WPI to the same 2011-12 means the deflator applied to the 109 items captured in value terms in the new IIP (54 in the older series) has also changed, with a more benign wholesale inflation reading automatically lifting the value of the corresponding industrial item. Also, the Central Statistics Office makes clear that the growth rates of the two series are not strictly comparable since the indices for 2011-12 have been normalised to 100 at a monthly level. The breadth and relatively contemporary nature of the data capture – with an increase in the number of reporting factories and the exclusion of shuttered units and restructuring of the items basket – has meant that the information is now appreciably more representative.

Manufacturing sees its weight in the index raised by slightly more than 2 percentage points to 77.63%, while electricity, which now includes renewable sources, has had its weight pared to just under 8% in the new series. And most interestingly, a mechanism in the form of a Technical Review Committee has been put in place to periodically review the products featuring in the item list and to revise the series dynamically. The reviews, to be undertaken separately for both the IIP and the WPI, will help ensure that data pertaining to industrial output and wholesale price inflation will be relatively current and more accurately reflect economic trends. It would be interesting to see to what extent the recent divergence between the IIP and the GDP numbers will narrow, or even disappear, with the new series. While the significance of the IIP figures as a policy determinant cannot be overstated, especially given that the RBI considers it as a key gauge of economic health while reviewing its monetary stance, all data will finally need to stand the scrutiny of consistency and credibility against the conditions prevailing on the ground.

Off the road

Don't shut the door on diplomacy over China's Belt and Road Initiative

Three years after the plan for the Belt and Road Initiative (B&RI, formerly called the Silk Road Economic Belt or One Belt One Road) was announced, China has concluded the first Belt and Road Forum. While 130 countries participated, of which at least 68 are now part of the $900-billion infrastructure corridor project, India boycotted the event, making its concerns public hours before the forum commenced in Beijing. India's reservations, according to the carefully worded statement issued by the Ministry of External Affairs, are threefold. One, the B&RI's flagship project is the China-Pakistan Economic Corridor, which includes projects in the Gilgit-Baltistan region, ignoring India's "sovereignty and territorial integrity". Two, the B&RI infrastructure project structure smacks of Chinese neocolonialism, and could cause an "unsustainable debt burden for communities" with an adverse impact on the environment in the partner countries. And three, there is a lack of transparency in China's agenda, indicating that New Delhi believes the B&RI is not just an economic project but one that China is promoting for political control. These concerns are no doubt valid, and the refusal to join the B&RI till China addresses the objection over Gilgit-Baltistan is understandable. The decision to not attend even as an observer, however, effectively closes the door for diplomacy. It stands in contrast to countries such as the U.S. and Japan, which are not a part of the B&RI but sent official delegations.

Each of India's neighbours, with the exception of Bhutan, has signed up for the B&RI, expecting to see billions of dollars in loans for projects including roads, rail, gas pipelines, oil pipelines, electricity and telecommunications connectivity. India's anxiety about the possible debt trap may be well-founded, but it ignores the benefits these countries believe will accrue from the project. Simply put, India cannot appear to be more worried about these countries than their own governments are, or to determine their stance. As a friend and neighbour, India can at best alert them to the perils of the B&RI, and offer assistance should they choose another path. India may also face some difficult choices in the road ahead, because as a co-founder of the Asian Infrastructure Investment Bank and as a member of the Shanghai Cooperation Organisation (from June 2017) it will be asked to support many of the projects under the B&RI. At such a point, especially given the endorsement from the UN Secretary General, who said the B&RI is rooted in a shared vision for global development, India should not simply sit out the project. It must actively engage with China to have its particular grievances addressed, articulate its concerns to other partner countries in a more productive manner, and take a position as an Asian leader, not an outlier in the quest for more connectivity.

Triple talaq not fundamental to Islam

The Supreme Court will be well within its rights to lay down the procedure of divorce as per Koranic principles

A. FAIZUR RAHMAN

PTI

When the five-judge Constitution Bench of the Supreme Court began hearing petitions challenging the validity of instant triple talaq, halala and polygamy, there was a tizzy of excitement across India, especially in Muslim circles. The expectation was that these practices would be struck down as unconstitutional as demanded by some Muslim women's groups. But the judges have made it clear that they will be examining only triple talaq now.

A case of misplaced priorities

Media reports would have us believe that the issue of gender discrimination in the Muslim personal law reached the Supreme Court because of petitions filed by victims of instant talaq and polygyny. The truth, however, is that it was the apex court which had asked for the registration of a Public Interest Litigation (PIL) in October 2015 to be put up before an appropriate Bench. Muslim individuals and groups impleaded themselves in the case only after the PIL was registered.

Surprisingly, the case in which the PIL was ordered – *Prakash v. Phulavati*, (2016) 2 SCC 36 – had nothing to do with the Muslim law. It pertained to the rights of Hindu daughters under the Hindu Succession (Amendment) Act, 2005. Aware of this fact, the court conceded (in paragraphs 27-30 of the judgment) that the issue of gender discrimination in Muslim law was not directly involved in the appeal before them. They are examining it because some of the learned counsel for the parties (in the aforementioned case) raised the matter, and "the issue has also been highlighted in recent articles appearing in the press on this subject".

The Supreme Court's self-registered PIL brought into sharp focus Muslim issues which, despite their gender discriminatory and un-Islamic nature, did not deserve to be prioritised. Indeed, amid a storm of media hype, one of these issues – triple talaq – metamorphosed into a convenient stick in the hands of majoritarian forces to beat the Muslims with. It was politicised to the extent that it became a topic of heated debate during the recent U.P. elections as though it was the only problem facing Muslim women.

A look at the 2011 Census would reveal that out of a total Muslim female population of 83.97 million in India, about 2.12 lakh are divorced. The census, however, does not tell us by what legal procedure these women were divorced. Therefore, even the hypothetical presumption that all these women were divorced instantly would not take the number of triple talaq-divorced Muslim women in India beyond quarter per cent of their population – 2.12 lakh is just 0.25% of 83.97 million. Compare this to the fact that a whopping 48.1% of Muslim women in India are illiterate as per the same census, which no Muslim women's group seems to be aware of.

If despite these hard facts there is a misplaced emphasis on triple talaq, it is the direct result of relying on studies (criticised as totally flawed by several experts) conducted by the Bharatiya Muslim Mahila Andolan (BMMA) wherein this practice was projected as the most significant issue affecting Muslim women. Figures quoted above render this claim totally specious.

Nonetheless, to answer the question raised by the Supreme Court, instant talaq (*talaq-e-bid'a*) has no basis in the Koran and, therefore, is not fundamental to Islam. Muslim theologians must understand that concepts not sanctified by the primary source of Muslim law, the Koran, cannot be declared as essential parts of Islam irrespective of where they draw their legitimacy from. All sources of Islamic law, be it *hadees*, *ijma* or *qiyas*, are subservient to the Koran.

Divorce in Islam

And as per the Koran, only after four serious attempts at reconciliation (which includes arbitration) is a Muslim husband permitted to utter the first divorce, which is followed by a three-month waiting period called *iddah*. If within *iddah* the marital dispute gets resolved, conjugal relations may be resumed without undergoing the procedure of remarriage. But after the expiry of *iddah* the husband can either recontract the existing marriage on fresh and mutually agreeable terms or irrevocably divorce his wife – in the presence of two witnesses – by pronouncing the final talaq. (A detailed exposition of this procedure can be found in this author's article, "The continuing tyranny of the triple talaq", *The Hindu*, April 4, 2012)

This is the only method of divorce mandated in the Koran. Other forms such as *talaq-e-bid'a*, *talaq-e-hasan*, *talaq-e-ahsan* and *talaq-e-tafweez* are concepts of Hanafi jurisprudence. They find no mention in the Koran. Thankfully, it was the Koranic procedure that the apex court endorsed in 2002 when in the *Shamim Ara v. State of U.P.* case it invalidated talaq not preceded by arbitration or reconciliation attempts between the husband and the wife.

It may be pointed out here that the pronouncement of three talaqs in one sitting does not constitute even one divorce as held by the Ahl-e-Hadees sect. In the Koranic view, first divorce becomes effectual only after the parties have gone through the process of reconciliation and arbitration. Divorces uttered without exhausting these options have no legal validity in Islam.

In this context, the views of Salman Khurshid quoted in the media are astonishing if true. Mr. Khurshid had told the apex court on May 12 that the All India Muslim Personal Law Board (AIMPLB) is the best body to guide the court on the varying philosophies of schools of Islam about triple talaq.

The reality is, had the AIMPLB been open-minded about different schools of Muslim thought, it would not be blindly advocating the Hanafi viewpoint that validates *talaq-e-bid'a* (instant triple talaq). The board would have made use of legal devices such as *takhayyur* and *talfiq al mazaahib* which allow jurists to amalgamate the doctrines of various Islamic legal schools to formulate reformist interpretations that are capable of outlawing unjust practices such as *talaq-e-bid'a*. On the contrary, the preface to the AIMLPB's Compendium of Islamic Laws released in 2001 categorically states that the original Urdu version of the compendium contains extensive notes in Arabic drawn from "authentic books of the Hanafi law", which is a clear indication of the board's intention to view Islam only through the prism of Hanafi law and nothing else.

The way forward

Given the reluctance of Muslim religious bodies in India to give up their sectarian conformism and delegitimise *talaq-e-bid'a*, the Supreme Court will be well within its rights under Articles 141 and 142 of our Constitution to resort to, in consultation with progressive Islamic scholars, a neoteric interpretation of the terms "talaq" and "Shariat" mentioned in section (2) of The Muslim Personal Law (Shariat) Application Act, 1937, and lay down the procedure of divorce in accordance with the egalitarian and gender-just principles of the Koran.

In pursuance of this, the Constitution Bench may, without putting the Muslim personal law to the test of Article 13 (1), further clarify, elaborate and enlarge the scope of the Shamim Ara judgment and make the Koranic procedure of divorce ratified in that ruling common to both men and women. This would render the law gender-just by eliminating the need for *khula*, wherein Muslim women seeking divorce are required to get the concurrence of their husbands or the qazi to get the marriage dissolved.

The good news is, even outfits such as the BMMA which have been vociferously calling for a ban on triple talaq seem to have realised the untenability of their views. The BMMA's co-founder and intervener in the PIL before the Supreme Court, Zakia Soman, has now submitted to the Supreme Court (in her affidavit filed on March 3, 2017): "... the courts in India have by a purely interpretative exercise held that talaq-i-bidat or instantaneous talaq is illegal, ineffective and has no force of law. If the same declaration is given by this Hon'ble Court by a process of interpretation of personal law, then the question of going into the constitutionality of personal law does not arise."

The change in the BMMA's attitude towards Muslim personal law deserves to be welcomed and must be considered seriously by the apex court.

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Putting a global price on carbon

A carbon tax is less likely to face political opposition while creating avenues for businesses and growth

KSHITIJ BANSAL & ARMIN ROSENCRANZ

GETTY IMAGES/ISTOCK

We stand today on the brink of a long-term anthropogenic and ecological change, caused not by the forces of nature but our own exploitation of the planet's resources. There is compelling evidence that climate change is the greatest and widest-ranging market failure ever seen, and there is a large chance of a global average temperature rise exceeding 2°C by the end of this century. It has also been established in various scientific studies that any such warming of the planet will lead to increased natural calamities such as floods and cyclones, declined crop yields and ecological degradation. A large increase in global temperatures correlates with an average 5% loss in global GDP, with poor countries suffering costs in excess of 10% of GDP.

As a mitigation policy

A global and immediate policy response is urgently required to reduce greenhouse gas emissions and mitigate the effects of climate change. We want to reinvigorate the discourse towards adopting a multilaterally coordinated imposition of a carbon tax as a potent mitigation policy. A carbon tax aims to internalise the externality of climate change by setting a price on the carbon content of energy consumed or greenhouse gas emitted in the production or consumption of goods. Carbon tax regimes will only be effective if harmonised internationally. Different country-wise policies could lead to 'carbon leakages' where energy-intensive businesses will most likely move to less strict national regimes.

Harmonised carbon taxes hold advantages over quantitative limits imposed through government control and regulation. First, a carbon tax regime avoids the problems related to choosing a baseline. In a price approach, the natural baseline is a zero carbon tax. Second, a carbon tax policy will be better able to adapt to the element of uncertainty which pervades the science of climate change. Quantity limits on emissions are related to the stocks of greenhouse gas emissions, while the price limits are related to the flow of emissions. From this uncertainty arises another complication of price volatility which is the third reason why a carbon tax policy is likely to cause less volatility in the prices of carbon emissions.

Fourth, quantity limiting policies are often accompanied by administrative arbitrariness and corruption through rent-seeking. This sends off negative signals to investors. In a price-based carbon tax, the investor has an assured long-term regulation to adapt to and can weigh in the costs involved.

Addresses issue of equity

Fifth, the most contentious issue in any international negotiation on climate change mitigation either at the level of the World Trade Organisation (WTO) or at the United Nations Framework Convention on Climate Change has been the issue of equity between high-income and low-income countries. The price-based approach in the form of carbon taxes makes it easier to implement such equity-based international adjustments than the quantity-based approach. Finally, the carbon tax will essentially be a Pigovian Tax which balances the marginal social costs and benefits of additional emissions, thereby internalising the costs of environmental damage. It can act as an incentive for consumers and producers to shift to more energy-efficient sources and products.

Some countries and regions such as the U.S. and the European Union already have fairly successful carbon pricing regimes in place in the form of carbon taxes and emissions trading schemes. Some other countries have introduced general taxes on energy consumption instead of direct taxes on carbon content. This can be a good starting point for a shift in policy by countries while they deliberate on a harmonised carbon tax regime. The political consensus in favour of a direct carbon tax will be difficult to achieve in low- and middle-income countries that have developmental priorities and lack the capacity to administer such regimes. A general tax on energy consumption combined with a technology-centric policy that promotes entrepreneurs and investors who develop low-energy intensive products can be a good starting point from where they can gradually move towards a direct carbon tax. Another near-term approach can be a 'cap-and-tax' which combines the strengths of both quantity and price approaches. Cap-and-tax might also address the concerns of environmentalists that a price-based approach does not impose hard constraints on emissions.

Africa as a priority region

We conclude with a few areas of further deliberation to move forward on an effective harmonised carbon tax regime. Countries must negotiate and share policy experiences and researches in this area. They also must decide upon the appropriate forum to discuss and implement any such mitigation policy. The WTO could be the preferred forum, given the important nexus between international trade and climate change. Finally, any prospective policy regime must give the highest importance to the African continent. A rapidly growing African economy must then be able to learn from past lessons without having to choose between economic growth and climate change mitigation.

A carbon tax policy might not seem a magic wand, but it is also less likely to face political opposition and compromise while creating new sectors for businesses and growth.

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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.

Better public safety

The sickness that affects the police force today is a result of rank political interference ("Clamping down on crime", May 15). In spite of all the excellent investigation done by the police, the criminal most often gets away easily using political pressure. The solution lies in making the police force function independently. A central police commission, on the lines of the Election Commission of India or the Central Vigilance Commission, should be set up to manage the entire police force.

J.F. DAWSON,
Chennai

The GM crop debate

From the abject days of PL-480, to self-sufficiency in food, we ought to be avidly leveraging biotechnology for greater yields with lesser use of pesticides and water amid indifferent soil conditions (Editorial - "Be scientific", May 15).
Yet our zeal for embracing newer technologies is wanting. If it is largely due to our angst against western researchers fathering technologies for profit, we must take this as a challenge by investing more funds and energy to carry out futuristic studies tailored to our own needs. From apprehension over not having done adequate field tests prior to large-scale commercialisation in the instance of Bt brinjal, to ups and downs before there was some acceptance in the case of Bt cotton, moving towards GM crops has not been easy. Strangely, even indigenously evolved Bt mustard is now suspect. To wait and err on the side of caution is natural, but to be hesitant or circumspect on human ingenuity itself that has been meeting challenges in agriculture over decades would be self-defeating.

R. NARAYANAN,
Ghaziabad, Uttar Pradesh

■ The fierce debate on GM crops isn't just located as a fight between multinational companies and the government. Rather it is on the character of the technology in solving farmers' problems and the threat it poses to the environment. First, the debate is incorrectly positioned as one between indigenous development versus MNCs.
Second, the case of BT cotton has shown how the government is willing to pander to market interests rather than saving and protecting the lives of farmers. The positioning of the GM crop debate should be on whether the consumer is willing to 'take a bite of' GM mustard.
Has the government made clear any measures to make the average citizen aware of the dangers to his/her health and the environment if GM cultivation is introduced? Third, the failure of successive governments in uplifting agriculture and understanding the need for public investment in it makes one suspect the intentions behind the push for GM crops.

N. SAI BALAJI,
Hyderabad

Canada's stance

India's lukewarm response to Canadian Prime Minister Justin Trudeau's presence at a "Khalsa Day" parade in Toronto is reprehensible ("Mixed signals from Toronto", May 15). It is mystifying why this covert snub, aimed at our territorial integrity, was taken lying down. Why has Canada not learnt lessons from the rest of the western world on the dangers of playing with fire?

AYYASSERI RAVEENDRANATH,
Aranmula, Kerala

A Kashmir dialogue

There is growing demand from various quarters that the Centre should initiate a dialogue process with everyone concerned in Jammu and Kashmir, including the separatists. The State Chief Minister has asked the Centre to begin talks without any pre-conditions. The Turkish President even suggested dialogue to break the deadlock and save lives. It is clear that the deployment of armed forces has not helped to bring back normalcy. Defying the security forces has become routine.
Students too have joined the agitation.
Any encounter death appears to trigger unending violence resulting in deaths and injuries to villagers and security personnel. This vicious cycle of agitation, protests and encounters must end. It is hoped that talks with the parties concerned in the disturbed State without any precondition is one possible way of breaking the logjam and bringing a semblance of peace to the troubled Valley. A tough stand of "no talks" has not helped to ease the tense situation.

D.B.N. MURTHY,
Bengaluru

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