



Desert defeat

The Rajasthan bypoll victory has given the Congress a ray of electoral hope

Byelections are not clear pointers to the direction of the political wind, even when they are held close to a general election. A host of local factors are often at play, and selection of candidates and civic grievances exercise as much influence on the voter's mind as do livelihood concerns and governance issues. Even so, the results of the Rajasthan byelections would have jolted the ruling BJP. The Congress not only won the two Lok Sabha seats and the lone Assembly seat, but it did so with impressive margins. In the 2014 Lok Sabha election the BJP made a complete sweep of Rajasthan, winning all 25 seats. The Congress's recovery of some of the lost ground reflects a general dissatisfaction with the Vasundhara Raje government. Ms. Raje seems to have paid the price for an imperious attitude that alienated large sections within her own party. True, Rajasthan voters have not given either the BJP or the Congress two consecutive terms since the BJP returned to power in 1993. But the Modi wave of 2014 was supposed to have changed the political narrative, with the BJP emerging as a pan-Indian party and the natural party of government. The BJP has lost some Assembly elections since 2014. However, Bihar 2015 was arguably a mere blip, more on account of a coming together of a motley mix of opposition parties than on account of any erosion in its base. Punjab 2017 was written off as the Akali Dal's loss rather than the BJP's own. But in Rajasthan, as in Gujarat where the BJP scraped through in late-2017, the two national parties will be in a straight contest. A defeat can mean only one thing: the BJP is slipping in approval ratings in the run-up to 2019.

A negative vote it may have been, but the verdict is also a vindication of the Congress tactic of letting a young Sachin Pilot be its public face. Many in the party blamed the inability to close the gap with the BJP in Gujarat on the failure to identify a youthful leader, and instead relying entirely on borrowed leaders such as Alpesh Thakor, Hardik Patel and Jignesh Mevani to free it of a jaded look. If it wants to beat the BJP, the Congress has to find a way to counter its strategy of turning every election into a presidential contest between Prime Minister Modi and Congress president Rahul Gandhi. The byelection results suggest the key to doing so lies in encouraging a youthful regional leadership to emerge in each State. But if the BJP is slipping in Rajasthan, it is gaining in West Bengal: the party finished second behind the Trinamool Congress in the Uluberia Lok Sabha and Noapara Assembly constituencies. With the collapse of the Left Front vote bank, it is the BJP that is emerging as a challenger. But a second-place finish in West Bengal is poor compensation. The BJP's setback in Rajasthan has given the Congress a ray of electoral hope, as the State goes to the polls later this year.

Get cracking

The Centre must draw up an implementation roadmap for the new health scheme

The NDA government lost precious time in its first three years in initiating a health scheme that serves the twin purposes of achieving universal coverage and saving people from high health care costs. It announced two years ago in the Budget a health protection scheme offering a cover of ₹1 lakh per family, but ultimately that did not extend beyond ₹30,000. Fresh hopes have been raised with the announcement of Ayushman Bharat in Budget 2018. The plan has the components of opening health centres for diagnostics, care and distribution of essential drugs as envisaged in the National Health Policy, and a National Health Protection Scheme (NHPS) to provide a cover of up to ₹5 lakh each for 10 crore poor and vulnerable families for hospitalisation. These are challenging goals, given the fragmented nature of India's health system. Some States already purchase health cover for the poor, but do not regulate private secondary and tertiary care services or treatment costs. The task before the Centre, which has provided ₹3,200 crore for the programme areas, is to now draw up an implementation roadmap.

Developing countries that launched universal health coverage schemes over a decade ago, such as Mexico, had to address some key challenges. These included transfer of resources to provinces, recruitment of health personnel, and purchase and distribution of medicines to the chosen units. All these apply to India. Moreover, the steady growth of a for-profit tertiary care sector poses the additional challenge of arriving at a basic care package for those who are covered by the NHPS, at appropriate costs. A national health system will also have to subsume all existing state-funded insurance schemes. This will give beneficiaries access not just within a particular State but across the country to empanelled hospitals. In the case of the local health centres that are planned under the Ayushman Bharat programme, there is tremendous potential to play a preventive role by reducing the incidence and impact of non-communicable diseases such as diabetes and hypertension. Such centres can dispense free essential medication prescribed by all registered doctors and procured through a centralised agency. But the efficiency of a large-scale health system depends on strict regulation. The early experience with state-funded insurance for the poor shows that some private hospitals may resort to unnecessary tests and treatments to inflate claims. Determination of treatment costs by the government is therefore important. This will also aid those with private health insurance, since it eliminates information asymmetry and provides a comparison point. The Centre must share details of the next steps.

Forging a new nuclear deal

The India-U.S. civil nuclear agreement is obsolete. In reviving it, India must heed the new global realities



SUHASINI HAIDAR

Watching the Republic Day parade, where 10 ASEAN leaders were chief guests, it was easy to miss the fact that the dates of their visit also marked the anniversary of another big visit three years ago: the visit by then U.S. President Barack Obama, when he announced a "breakthrough" in the India-U.S. civil nuclear deal, to finally pave the way for a commercial contract. "The deal is done," Sujatha Singh, who was Foreign Secretary at the time, said as the government issued papers and held briefings describing the nature of the agreement between India and the U.S. on supplier liability and tracking requirements, which would enable American companies to build nuclear power reactors in India.

A decade on

Today, nearly a decade since the memoranda of understanding were inked, and three years after the last wrinkles were ironed out, there is no sign yet of any concrete contract between an American company and the Indian authorities to build a reactor. In 2009, both GE-Hitachi and Toshiba-Westinghouse had begun talks on techno-commercial agreements for six reactors each in India. These commercial contracts were to be the start of the 'payoff' for the U.S. that had considerably shifted its stand on non-proliferation to give India the waivers needed, and they were to herald India's arrival on the global nuclear power stage in return.

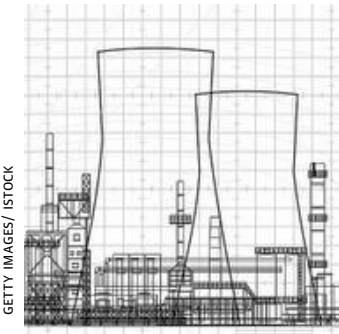
Instead, GE-Hitachi's plans were shelved after it rejected the Obama-Modi agreement in January 2015, saying GE would not ac-

cept the compromise formula on supplier liability. (While others have indicated they would accept the liability offer, none of them has put that on paper.)

Toshiba-Westinghouse then carried the baton to actualise the India-U.S. civil nuclear deal, but ran into a different storm as both Toshiba and Westinghouse had major financial troubles last year. After a near-bankruptcy, Toshiba jettisoned Westinghouse for just \$4.6 billion to a Canadian consortium, a deal that is now expected to be cleared by the end of 2018.

As the U.S. sends Westinghouse officials to India next week to reopen negotiations, the government must consider all that has changed before deciding to go ahead with the commercial contract. With shifts in global politics, renewable energy technology, the U.S.'s commitment to India, and the supplier's capacity and ability, it would be ridiculous if India remained steadfast to a deal envisaged a decade ago under very different circumstances.

To begin with, there are changes in the deal itself. The financial crisis was set off because Westinghouse went into major cost overruns, possibly worth more than \$15 billion, in building four AP1000 reactors at two projects in the U.S., the same reactors as the ones meant for India. When work was halted on the Westinghouse projects in South Carolina, the construction was already five years over schedule. India's past record with Russian projects (the only foreign collaboration operational so far) puts the mean time to construct a reactor here at nine years. This would mean that even if an India-U.S. techno-commercial contract is finally readied in 2019, and the ground breaking begins immediately, it may not see fruition until 2029, a good 20 years after the nuclear agreement was signed. Westinghouse's new buyers have already pared the bu-



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siness, will not construct the nuclear power project in India, and will only supply reactors and components. In the terrible scenario of a Fukushima-type nuclear accident in India, this further dilutes the liability that U.S. companies would carry. This was certainly not the future envisioned by those who first negotiated the India-U.S. civil nuclear agreement, and it calls into question whether the agreement, as it stood in January 2015 when Prime Minister Narendra Modi and Mr. Obama made that announcement, is even valid.

The Trump effect

Second, Donald Trump's presidency has taken a very sharp turn away from renewable energy, and even the promise of nuclear dollars have dimmed in comparison to the lure of fossil fuels in America. In his State of the Union address last week, Mr. Trump said that the U.S. has "ended the war on beautiful, clean coal," and will now mine, export and push oil, gas, coal and shale trade into its foreign outreach. A case in point is the big pitch Mr. Trump made during his meeting with Mr. Modi in Washington last June, which led to Indian orders for both oil and gas shipped from America. As a result, New Delhi may not get the support that the Obama administration had promised both on financing renewable energy projects and in facilitating India-U.S. civil nuclear power deals.

India has already received a

rude shock with the U.S. pulling out of the Paris climate change accord, and from Mr. Trump's singling out India as a "leading polluter" during his announcement of that decision last year. This, after the Obama administration had browbeaten India into acceding to the Paris accord two months ahead of deadline, by promising to help India reduce its dependence on fossil fuels.

Third, India's own requirements from the India-U.S. civil nuclear deal have changed considerably. In May 2017, the Cabinet approved a \$11 billion, 7,000 MW construction plan for 10 Indian-made pressurised heavy water reactors (PHWRs). With existing constructions and the current capacity of 6,780 MW, India hopes to have 14,600 MW of nuclear power online by 2024. Even as it makes a push for indigenous nuclear power plants, the Department of Atomic Energy is also advocating PHWRs in more inland sites in Rajasthan, Haryana, Karnataka and Madhya Pradesh, with concerns about too many nuclear projects dotting the southern coastline which lies along tsunami and earthquake faultlines, as the U.S. and French projects are. India has also found much more comfort in its existing agreement with Russia's Atomstroyexport, that began with the Intergovernmental Agreement for Kudankulam 1 and 2 in 1988, and has kept a slow but steady pace in delivering reactors and operationalising power projects. When asked about India's new focus for other foreign collaborations, the long-serving Russian Ambassador Alexander Kadakin, who passed away last year, used to reply, "When you see the first nail in the first beam of the first power project built by anyone other than us (Russia), ask me the question again."

Another issue relates to the cost that India is prepared to pay for nuclear energy through foreign

collaborations. Indo-French negotiations for six 1,650 MW European Pressurised Reactors (EPRs) in Maharashtra's Jaitapur have dragged on for a decade on this count, with the Department of Atomic Energy announcing in 2013 that the cost "cannot go above" ₹6.50 per unit, and the French company Areva (the project has now been handed to EDF) clearly seeking more.

A changed landscape

Finally, shifts in the world nuclear industry must be studied closely before heading back into negotiations with new companies. As the pressure to lower nuclear power tariffs increases, nuclear safety requirements have become more stringent, putting intense strain on all those in the business. Ironically, while French President Emmanuel Macron visits India for the International Solar Alliance this March, much of his bilateral negotiations will focus on getting a better deal in Jaitapur for EDF, which is counting on the nuclear project for its own financial future. Most nuclear companies globally are staring at major losses over their nuclear businesses, and this too must be factored into India's negotiations. More countries now see nuclear power as a "base-load" option, to be kept as back-up for the unstable, but infinitely less costly and eco-friendly solar and hydroelectric power options. That is, nuclear power is losing its primacy in the energy mix. In 2016, for example, global wind power output grew by 16%, solar by 30%, but nuclear energy only by 1.4%.

As a result of all these changes, the India-U.S. civil nuclear agreement for commercial projects, as it was completed all those years ago, is now obsolete and reviving it will require a different template that takes into account India and the new global realities. The deal that was "done" is now dead. Long live a new deal.

Tugging at the Centre

The BJP is the party to watch in the forthcoming elections in Tripura, Nagaland and Meghalaya



SANJAY KUMAR

With the diverse nature of political competition in each of the three northeastern States – Tripura, Nagaland and Meghalaya – going to polls in mid-February, it is difficult to say what may be the overall trend. But though there are many regional parties contesting elections besides the Congress and the Bharatiya Janata Party, the spotlight will be on the performance of the BJP.

The BJP presence

The BJP is unlikely to form the government in any of these States, but it is likely to make its presence felt in a big way by contesting elections either alone or in alliance with smaller regional parties. It is clear that the BJP is trying hard to make its presence felt in the northeastern States. This is not for the sake of adding to its tally in the Lok Sabha (these States account for only five seats), but the BJP is trying hard to send out a signal that its

reach extends beyond the Hindi heartland. Even though the BJP is not a dominant political force in the northeast, by forming alliances it could spring a surprise in the Assembly elections.

In Meghalaya, a State with a very large Christian population (nearly 75%), the BJP is hoping to emerge as a formidable force in alliance with the National People's Party (NPP). In Tripura, the Left is facing an anti-incumbency of decades, and the Congress has failed to give any indication of its revival in the State. In such circumstances, the BJP seems well poised to put up a strong challenge to the Left Front government by making an effort to form an alliance with smaller regional parties like the Indigenous People's Front of Tripura (IPFT).

Nagaland ties

With 11 political parties, including the ruling Naga People's Front (NPF), seeking a poll boycott till a solution to the Naga issue, the situation is fluid. The BJP hopes to make further inroads in Nagaland by weakening the ruling party, the NPF. The NPF had won the 2013 Assembly elections convincingly, with 38 of 60 seats and 47.1% of the



RITU RAJ KOINWAR

vote. But the party has weakened with factionalism running deep. It no longer remains the dominant party in Nagaland and the BJP hopes to gain from the rifts within. Former Chief Minister Neiphiu Rio has defected from the NPF to the Nationalist Democratic Progressive Party. The BJP is planning to contest elections alone and hopes to gain from being in power in the Centre as the State largely depends on grants from the Central government. Even if the BJP does not manage to win a majority, it may play an important role in forming the coalition government in the likely situation of a hung Assembly.

The BJP has hardly been pre-

sent in Tripura, but with Congress MLAs joining its ranks, it has managed to make its presence stronger. Of the 10 Congress MLAs, eight have already defected to the BJP and the Congress vote share of 36.5% in the 2013 Assembly elections seems to be only notional now. With the defection of eight MLAs, the support base of the Congress has also significantly shifted to the BJP. While it is difficult to imagine how much vote share the BJP may have at present, it is certainly far more than the less-than-2% votes it polled during the last three Assembly elections. The Left has won all Assembly elections since 1993 with handsome margins, but there are indications of a significant decline in the vote share of the Left due to anti-incumbency. The issue of unemployment remains a major issue and the BJP is hoping to gain from people's unhappiness against the government. Its alliance with the IPFT can help the party make inroads among the Adivasis who constitute nearly a third of the total number of voters in the State.

Fragmented Meghalaya

In the fragmented political envi-

ronment of Meghalaya, it is difficult to forecast which party might win the elections and form the government in case of a hung Assembly. In the last 18 years, eight governments have been formed, with a brief period of President's rule. The State has a history of defections. On the eve of Assembly elections, MLAs from different parties have switched allegiance. Nationalist Congress Party leader Marathon Sangma and four other independent MLAs joined the Congress. A few days ago, five Congress MLAs quit the party to join the NPP, which is an ally of the BJP government at the Centre. At the moment, the State seems to be heading for a direct contest between the Congress, the single largest party in the Assembly for the last two decades, and the Conrad Sangma-led NPP. While the Congress hopes to gain from the stability that Congress leader Mukul Sangma has been able to provide to State politics, it is still early to forecast if that may happen.

Sanjay Kumar is a Professor and currently the Director of the Centre for the Study of Developing Societies, New Delhi. Views are personal

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.

Budget 2018-19

As pointed out by this newspaper, it is clear that the Budget is a response to the declining support for the Bharatiya Janata Party in Gujarat's rural areas, as was seen during the Assembly elections ("Centre reads ground signals from Gujarat", Feb. 2). To add to that was the jolt that the BJP received in the Rajasthan byelections. People supported and cooperated with the government during demonetisation, when the goods and services tax was rolled out, when the LPG subsidy was removed, etc., yet the government has been negligent towards rural India. The Prime Minister seems to have felt the pulse of the people. This Budget is a timely and sensible

reaction to the anger of the people.

J.P. REDDY,
Nalgonda

That the excise duty on petrol and diesel is now down by ₹2 is a gimmick because now there is a new road cess of ₹8, so the price of petrol will remain the same. Also, how is this a Budget for the poor? The proportion of funds for MGNREGA has gone down, and it looks like the government is not going to be able to double farmers' incomes by 2022. The expenditure on agriculture and rural development, as percentage of GDP, has reduced from 1.15% to 1.08%.

S.K. KHOSLA,
Chandigarh

It is quite evident that the

Budget was pieced together to look pro-poor more out of compulsion than conviction. It took the shape it did on account of the distress and disillusionment of the people and the BJP's awareness that playing the Hindutva card alone would not get it through the 2019 Lok Sabha elections. Announcing pro-poor measures without allocating sufficient funds made the Budget no better than a document of wishful thinking. Given the government's track record as one that is long on ideas and short on performance, we are inclined to infer that the welfareist as well as ameliorative measures announced in the Budget could well turn out to be *jumlas*. For instance, among other things, the

Budget does not specify details of the National Health Protection Scheme. It is inexplicable that it left the problem of joblessness unaddressed, which has the potential to be the government's nemesis.

G. DAVID MILTON,
Maruthancode

Russia's position

This is an open letter to the Ambassador of Poland. We have noted with deep regret the remarks made by the Deputy Foreign Minister of Poland, Marek Magierowski, advising India to be "very careful with Moscow" ("Poland wants sanctions against Russia to go on", Jan. 21). His other statements are also embarrassing. He says, "Poland's opinion was based on tough military measures against it in

recent years." Are there any particular examples? He also says, "Annexation of Crimea was the first time in post-War Europe that the borders were moved." First, Crimea joined Russia by referendum, and second, let us not forget about former Yugoslavia and NATO-led bombings conducted in violation of international law. Russia as a sovereign country and a responsible international player has every right to defend itself. The location of our armed forces in particular areas of our own territory is justified by not only the uncontrolled expansion of NATO, but also placing by leading powers of the Alliance weapons of mass destruction in non-nuclear NATO members. The Western sanctions

against Russia are completely illegal, and such actions do not allow us to refer to their proponents as followers of international law. Russia is keen to cooperate closely with every concerned country to resolve the Ukrainian crisis within the framework of the Minsk agreements, which are unfortunately not implemented due to unwillingness of the present Kiev authorities. I remain open for mutually beneficial interaction with the Polish Ambassador, while hoping that India, a close partner of Russia, will not be used for the mentioned and likewise statements in the future.

NIKOLAY R. KUODASHEV,
Russian Ambassador to India, New Delhi

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