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In Kashmir, there is no magic bullet

A permanent solution must involve all the stakeholders

Home minister Rajnath Singh on Sunday said that the Centre would find a permanent solution to Kashmir. While Mr Singh did not spell out what the contours of the 'solution' would be, he added: "Kashmir is ours, Kashmiris are ours, Kashmiriyat is ours...". The Valley has been festering for a long time now and the Centre should lose no time in moving forward with the intent and the seriousness that Kashmir's ground reality deserves. There are many starting points available to the home minister. A meeting of the all-party parliamentary delegation — soon after returning from Jammu and Kashmir in September last year — had requested the state and central governments to "take steps for a dialogue with all stakeholders". Last September, the government had indicated that it was willing to set up a panel of MPs to carry the dialogue forward. This paper has consistently made a case for continual, uninterrupted engagement and it is important that the process be initiated at the earliest.

A serious attempt must be made to work towards a political resolution and all Kashmiri stakeholders, separatists included, must also respond, for the panel would carry the weight of Parliament. Several members of the all-party delegation have already articulated the way forward. The Left's Sitaram Yechury has argued in favour of confidence-building measures that include the partial lifting of the Afspa from civilian areas and the discontinuation of the pellet gun that has become the symbol of New Delhi's might against Kashmir's enraged youth. Mr Singh could also push chief minister Mehbooba Mufti to speed up probes into cases of alleged excesses that have led to the deaths of civilians at the hands of the security forces. A formal acceptance of the confidence-building measures will help break the unending cycle of violence. Once that is accomplished, the committee of MPs, with Mr Singh as the leader, could work towards a lasting long-term solution. The road ahead is clear, provided New Delhi is serious in walking the talk. It is in India's interest to move to the next level in Kashmir.

Rouhani's win may not change ground realities

India-Iran trade ties will continue to suffer thanks to sanctions imposed by the US

The landslide victory of Iranian president Hassan Rouhani in his re-election bid shows that the majority of Iranians continue to support Tehran's attempts to engage with the West and end economic isolation. However, Mr Rouhani's return to power has coincided with a speech by US president Donald Trump accusing Iran of spreading "destruction and chaos", "fuelling sectarian fires" and being a source of regional instability. This bodes poorly for the future of Iran's relations with the US and will make it harder for the Gulf to find a political balance between its Sunnis and Shias.

Sanctions were helpful in bringing Tehran to accept the nuclear deal with the West. But sanctions will have the opposite effect on Iran when it comes to its involvement in Syria and Yemen. A policy of engagement makes more sense as Tehran sees its interests there in geopolitical terms. While Iran is now free of international sanctions, those imposed by the US are a major hindrance to India and others that wish to trade and invest in Iran. The Trump administration has so far not taken any steps to walk away from the nuclear deal, but by throwing in its lot so strongly with Saudi Arabia and Israel it has weakened the US' ability to act as a go-between and ensure regional stability — which is what a strategically-minded superpower would want to be.

Iran is not an easy customer. Its record of making threats against Israel, continuing anti-American rhetoric and earlier terror attacks against US targets means it has few friends in Washington. Even India struggles to win friends and influence people in Iran because in the latter are multiple centres of power. But the re-election of Mr Rouhani should be seen as evidence that a large part of that country still hopes to be accepted as a normal member of the global community and, therefore, engaging Iran still remain a viable long-term strategy.

Privatise Air India to help it take off

The national airline cannot continue to remain a crippling burden on taxpayers any longer

S MISRA



JRD Tata once said that watches could be set on the basis of Air India flight arrivals. Based on recent news, now it would be faulty. In fact, time is fast running out for Air India as a viable airline. We hear the familiar commentary — the "in our time it was perfect", the corruption charges, and shockingly even the "needed for our national security". For nearly three decades, we were told that all Air India needs is debt restructuring, professional management and "some" capital.

The three requirements are valid — but cannot be met by the government: for 30,000 crore reasons. Each party of the Rs 30,000 crore committed to propping up Air India has better use elsewhere.

Air India will soar only if the governmental umbilical cord is severed and the ownership privatised. Divestment in this context has to be real, which is minimising government influence, and maximising value realisation from assets. Moreover, the Ministry of Civil Aviation has to be released from the inherent conflict of interest in running Air India and given the bandwidth to focus on the sector's policy and

development in terms of infrastructure, financial viability, service and safety.

To begin with, doomed "highways to nowhere" solutions need discarding. Temporary holding structures don't work. Likely to fail also is a "Hail Mary" transfer to bank ownership hoping banks can "realise" value. Banks have enough on their plate, they have a patchy record of resolving NPLs and their ability to take independent, unpopular decisions is doubtful. Finally, seeking an investor willing to take on Air India with modified liabilities is a naive bet on finding an investor devoid of rational economic decision-making!

Successful divestment will have three stages: curating and valuing non-core assets, disposing of non-core assets and then a sale of airline operations.

Air India is sitting on prize real estate and other assets. As a first step, a top international firm should make a detailed inventory of all Air India's real estate assets, and value them to nip malafide attempts to sell assets cheap. The same firm should review expected office requirements for the pure air operations of Air India and suggest rationalisation through consolidation and moving out of premium locations. This will create a "disposable pool" of real estate assets.

The second stage involves selling non-core assets. Maintenance, repair and operations (MRO), ground handling and catering subsidiaries should be immediately sold with existing employees and their core operating



■ Air India will soar only if the governmental umbilical cord is severed HT PHOTO

assets i.e. no real estate, hotels etc. The joint venture with SATs should be offered to SATs at reasonable premium for control — or put to bid if SATs declines. Simultaneously, based on identified "disposable pool", Air India's real estate assets need to be put on the block starting with excess land and hotels, and gradually covering prime office buildings that can be released over time. Air India metro head offices are a gold mine. The disposal process should be run independently by the department of disinvestment, albeit in cooperation with the ministry of civil aviation. Potential proceeds from non-core sales may run into thousands of crores.

This sets the base for stage 3 or airline sale.

The three "revival" requirements were capital, restructured debt and professional management. Given poor financials especially the nearly Rs 50,000 crore debt, our expectations from the sale should be stopping further outflows.

To attract buyers, 75% of the estimated proceeds of sale of non-core assets may be offered as restructuring pool to potential bidders. Bidders should then be asked to tender for 100% of Air India's flight operations on the basis of minimum additional support (MAS).

The MAS will be paid out to the investor after the bank restructuring has been agreed. Similarly, the bid conditions should also define both the compensation structure for use of Air India on national duty like evacuations. The lowest MAS wins. The winning investor would then negotiate with the banks on a restructuring package using the MAS and the restructuring pool of funds.

This will still leave the question of serving remote areas — but that is a relatively easy problem to solve, and for much less than Rs 30,000 crores.

While difficult, the certain alternative is never-ending government bail-outs in a hyper-competitive industry. Or in other words, death by a thousand cuts. Privatisation will potentially create a new Air India under the control of new management and will cap government support.

Air India must remain our national airline, just not as a nationalised burden on taxpayers.

S Misra is an investment banker based in Singapore. The views expressed are personal.

UNPALATABLE TRUTHS



■ Contrary to perceived wisdom, Goa was among the first states to ban cow slaughter HT FILE

How food and drink play a role in Goa's political scene

All political parties have played the beef card in elections, but this has been at the cost of complex social realities

FREDERICK NORONHA



It's a game of shadow-boxing where the nation pretends that there are no restrictions on eating beef in Goa, and the ruling BJP (except for an occasional hiccup) also acts as if it has no interest in implementing the same. But, on the ground, the facts are quite different. Reflecting the soft communalism that has almost consistently ruled post-colonial Goa since the first elections were held here in 1963, Goa has consistently played 'beef politics'.

More surprisingly, reflecting the shifting loyalties of politicians, who have seamlessly moved across party divides, beef politics have been played when a range of political parties were in power — from the Maharashtrawadi Gomantak Party (MGP) which was in power from 1963 to 1979, the BJP under Manohar Parrikar (from 2012) and even the Congress.

Contrary to perceived wisdom, Goa was among the first states to ban cow slaughter (in 1978), and this stand was further toughened with the Goa Animal Preservation Act 1995 (prohibiting unless written certification of the authorities was obtained, the killing of even bulls, bullocks, male calves, male and female buffaloes, castrated buffaloes and buffalo calves). These actions came when the MGP

and Congress respectively were ruling Goa. Earlier, in 2013, when Parrikar was chief minister, a little known "NGO" called the Govansh Raksha Abhiyaan, some of whose key members were ideologically linked to the ruling party, approached the courts on technical grounds, causing another meat crisis in Goa.

Political statements which make it to sensationalism-loving headlines are often out of sync with the ground reality. Often overlooked too are lobbying efforts by various actors wanting the limelight, whether politicians or 'activists' with agendas.

But what is ignored are complex local realities, which go beyond majority-minority equations, and also an interdependence of an unusual kind built across obvious divides over several generations in Goa. Like in the case of the recent liquor ban, it affects many different sections in unexpected ways. Alcohol has played a social (and even minor religious) role in life of the Catholic community, but it is also not absent from the socialising aspects and occasionally even the rituals of Hindu Goans, as Dr Biula V. has explained in her book 'One For The Road: The Social Role of Alcohol in Goa'.

With business, social, entertainment and cultural roles intertwined in a manner that can happen only in Goa, despite its low-intensity communal conflict that is played out in elections since the 1960s, the issue can be described by the two-word Facebook term: "It's complicated."

Frederick Noronha is a Goa-based independent journalist. The views expressed are personal.

The AfDB meet in India could be transformative

India is lagging behind China in projects in Africa. The African Development Bank meeting could change that



ASHOK MALIK

India joined the African Development Bank (AfDB) in 1983. However, it is only this year, 2017, that it is hosting the annual meetings of the AfDB and its sister institutions, including of finance ministers of member countries, who comprise the AfDB board of governors.

The meetings, which open in Gandhinagar today, are important for India for more than one reason. First, they will be seen as a logical follow-up to the India-Africa Forum Summit in New Delhi in 2015, attended by 40 African heads of state or government and representatives of all 54 countries from the continent.

Second, after India's boycott of China's Belt and Road forum, there will be a keenness to understand the Narendra Modi government's approach to its own connectivity, infrastructure and developmental projects, particularly in geographies where it competes with Beijing.

The AfDB meetings will be a useful reckoner in this regard. The five-day event will see 2,800 delegates arriving from Africa and elsewhere. The Gujarat government, keen to exploit opportunities for local business, has seen registration by 5,000 Gujarat-based business executives — representing industries as far apart as education and mining, health-care/pharmaceuticals and energy.

Like the Make in India Forum that was held in Mumbai in 2016, this is another example of the Modi government's determination to take marquee business and economy events outside the national capital, and encourage individual states to up their game. Yet, that is a collateral story.

The major theme of the AfDB week will be giving teeth to India's engagement with a continent where, despite goodwill, it has hitherto lagged behind China in project execution. India-Africa trade doubled in the five-year period ending 2014-15, to reach US\$

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72 billion. In the following year, it fell sharply to US\$ 56 billion, a direct consequence of the end of the commodities boom that had led to a surge in Indian resources imports.

Even so, Indian private sector presence in Africa is significant. Investments amount to US\$ 35 billion and range from automobile manufacture to drugs and pharmaceuticals, textiles to IT services, water treatment to petroleum refining. Africa remains a manufacturing frontier. Unlike China, Indian state agencies are more open to building local capacities in Africa. As an example, India's Exim Bank has helped incubate similar institutions in five countries.

In Gandhinagar, India is expected to announce an agreement with the AfDB to route about 20 per cent of the US\$ 10 billion that it has set aside for developmental credit to Africa. Some US\$ 2 billion will be given to the AfDB to deploy, with the Bank acting as a sort of co-guarantor and co-lender, and giving local ownership and design to projects. Of course, project execution will still be undertaken by Indian companies through transparent contracting.

Also expected to be discussed is the Japanese and Indian proposal for the "Asia-Africa Growth Corridor". Details are being finalised and a key announcement is expected only when the Japanese prime minister visits India later this year. In Gandhinagar, however, the Japanese deputy finance minister will be part of a dialogue on how India and Japan can work with and in Africa.

This is not a one-off. The Modi government is increasingly seeing value in combining with key partner countries — Germany, the United Kingdom, the United States, France — to pool resources and technical skills in Africa and make a bigger impact.

This is a gradual shift from the "go it alone" thinking that had initially influenced the Ministry of External Affairs' Development Partnership Administration. The Japanese blueprint includes investments in the blue economy, on the east coast of Africa that is washed by the waters of the Indian Ocean, and an SEZ in Mombasa (Kenya).

Finally, of course, Africa is crucial to the India-fostered International Solar Alliance (ISA). Over a dozen of the ISA's 24 members are from Africa, the continental powerhouse of solar energy.

Another 10 odd countries may choose Gandhinagar to indicate their willingness to sign on. That should give India some satisfaction.

Ashok Malik is distinguished fellow, Observer Research Foundation. The views expressed are personal.

innervoice
MAINTAINING AN ATTITUDE OF GRATITUDE RAISES OUR HAPPINESS INDEX

PP Wangchuk

We are so indebted to nature and the people around us that any amount of 'give-back' won't be sufficient. Therefore, the only way to feel good and live well is to have an attitude of gratitude. You may or may not be able to pay back, but an expression of being grateful is within the power of each one of us.

By doing so, not only the person you are grateful to, even you get a sense of immense satisfaction and elation. That means you are

doing unknowingly a 'favour' to yourself by being grateful to those who do you good.

English philosopher GK Chesterton says this in his own inimitable way: "I would maintain that thanks are the highest form of thought; and that gratitude is happiness doubled by wonder."

That means one who knows the art of saying 'thank you' has known the art of staying happy. And, one who fails to do so misses one of the good things of life. That is why American inspirational author William Arthur Ward has this to say: "Feeling grati-

tude and not expressing it is like wrapping a present and not giving it."

Such great thoughts make us feel that we, in our own interest, should never be careless enough to take things for granted. What is due to you may be because of your own hard work and merit, but external factors too do a lot of 'favours'.

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