



A thought for today

Together we can face any challenges as deep as the ocean and as high as the sky

SONIA GANDHI

The Chameleon

Nitish supports Kovind, blunts opposition strategy of a joint presidential candidate

The upcoming presidential poll has sent political parties into a tizzy. Instead of a straightforward election for the top post, the poll has become a litmus test for loyalty within both ruling and opposition ranks. Plus, given that the presidential poll is being viewed as a primer for the 2019 Lok Sabha election, parties are not only using this opportunity to signal to the electorate but also evaluate their alliance options for the big fight in two years' time. Here the BJP-led NDA has stolen a march over opposition parties by proposing Ram Nath Kovind as its candidate.

Kovind's UP Dalit identity and track record as a seasoned politician appear to have flummoxed opposition parties which are now wary of challenging his candidacy for fear of being seen as anti-Dalit. Opposition strategy had hinged on uniting all non-NDA parties to present a common candidate. That strategy has already taken a hit with AIADMK, BJD, TRS and YSR Congress expressing support for Kovind. BSP chief Mayawati has described NDA's candidate as positive but not ruled out the possibility of supporting a Dalit nominee from the opposition side.

It's Bihar chief minister Nitish Kumar's oscillations that have been most interesting. It was Nitish who had set the ball rolling for a joint opposition candidate for the presidential poll back in April. However, he now favours Kovind who was till Tuesday the Bihar governor. Nitish apparently feels that Kovind is a "good man" and had conducted himself professionally at the Patna Raj Bhavan. But Nitish has been playing this game for a while now. Despite being in alliance with RJD and Congress, he has toed the BJP line on several issues including demonetisation. He wants to keep both allies and opponents guessing, making the JD(U) a desirable commodity for all.

Besides, Nitish is aware that his alliance with RJD and association with Lalu Prasad may not serve him well in 2019, especially if he wants a big role for himself. So it suits him to play chameleon. Of course JD(U) support for Kovind virtually ensures his election as the next President of India. Opposition parties are meeting today to take a call on a possible joint candidate – perhaps Meira Kumar or Sushil Kumar Shinde. When they do force a contest, it will only be a symbolic battle. For now, it's advantage BJP.



A GST Wrinkle

Anti-profiteering rules make no sense in a truly competitive market

The transition on July 1 to a Goods and Services Tax regime will be truly historic. What it must avoid is dredging up terrible legislative ideas from history – like the recent notification of anti-profiteering rules. Intended to ensure that producers transfer the benefits of reduction in taxes through a "commensurate" reduction in prices, these rules are undergirded by a belief that micromanagement by committees of babus is the best way to ensure consumers get a fair deal. History suggests this is actually the worst way.

The rules are vaguely worded, which makes them prone to misuse. In a complex modern economy where a variety of inputs go into manufacturing of a product or provision of a service, reaching a definitive conclusion on "commensurate" transfer of tax benefits is not an ideal way to deal with a new tax architecture. Moreover, India's experience with laws which seek to penalise profiteering is very shabby. For instance, Bengal introduced an anti-profiteering legislation almost 60 years ago. It has not made the state a role model of consumer welfare.

India is not the only country to have tried an anti-profiteering law during its transition to GST. Malaysia tried it but its experience does not make a compelling case. Competition is the best guarantor of consumer welfare. In a truly competitive market, a single firm will not be able to overprice. In addition, a functioning competition regulator in India should ensure that cartels do not exist. The anti-profiteering rules provide for an anti-profiteering authority to oversee their application. The authority is meant to have a two year life but its term can be extended by the GST council. The council should instead do away with the authority at the earliest.



1993 and all that

The death and life of those first Bombay blasts

Bachi Karkaria



The ghosts rose again; the two masterminds, Dawood Ibrahim and Tiger Memon, remain to be nailed. So, though Mustafa Dossa and Abu Salem were convicted last week, it's not yet closure. Not for the kin of the 257 who died, the 717 maimed that surreal afternoon of March 12, 1993. Far less for the city through which those 13 explosions ripped. Two hours and 10 minutes is all it took to leave Bombay in debris and disbelief, brought to its knees along with seven of its most iconic buildings.

A city's poison is an editor's meat. It was a Friday, and the serial blasts served up an undreamt of Page One for the very first edition of the Metropolis on Saturday, the latest from the Times Group. We'd been trying to turt up some mundane story, when the first call came of an explosion at the Bombay Stock Exchange. Within minutes flashed the news of the Air India building, then in incredulous succession the rest. Our hearts leapt – and sank. Journalists are also citizens. How could this be happening to Bombay the arrogant epicentre of commercial power, the sashaying epitome of glamour?

That afternoon gave us an unforgettable first edition – and a sinister coalition of firsts and worsts. The world had never before suffered such an explosive orchestration. They remain the most destructive of bomb attacks that India has ever known. It was the first time that RDX was added to the alphabet of urban terror. Over the next decades, Bombay would stagger under a series of blasts, all again aimed at its very soul. In 2003, the Gateway of India and the country's richest Zaveri Bazar; in 2006, its vaunted commuter network; and in 2008, the audacious attack on the equally totemic Chhatrapati Shivaji Terminus and Taj Mahal Hotel. Yes, March 12 was a beginning without a foreseeable end.

But a luminous phoenix flew up from those ashes. They called it the Spirit of Bombay. In equal disbelief I watched how promptly, how unprompted, people ferried the injured to hospital, lined up to donate blood, soothed the shaken, dusted off the assault and returned to normalcy; that most cutting riposte to terror. Staunch Calcuttan, I reverently converted to Bombay.

Alec Smart said: "Our leaders could have congratulated Pakistan. How sporting, how statesman-like, how unlikely." <http://blogs.timesofindia.indiatimes.com/erratica>

India's Inward Nuclear Turn

It has taken 12 years for the Indo-US nuclear deal hype to give way to sober realism

Brahma Chellaney



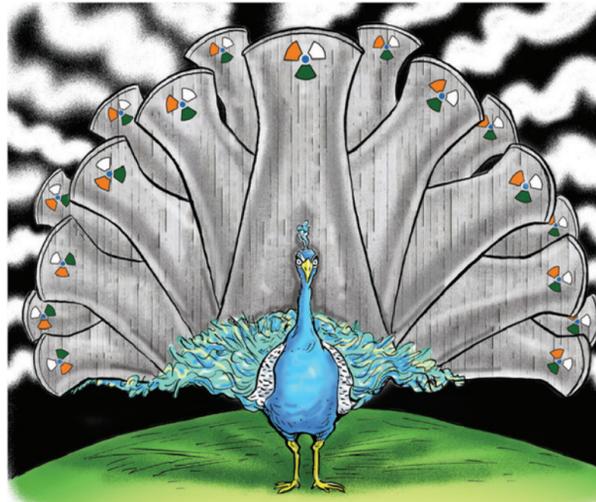
Just as Japan's Diet has ratified the civil nuclear agreement with New Delhi, India has decided to build 10 nuclear power reactors of indigenous design in what is the largest such construction decision in the world since the 2011 Fukushima nuclear disaster. India's turn to a "fully home-grown initiative" reflects the continuing problems in implementing the 2005 Indo-US nuclear deal.

India, duped by its own hype over the nuclear deal, had announced plans to import Western reactors costing tens of billions of dollars. The Indian plans helped to motivate Toshiba to acquire Westinghouse – a takeover that ultimately proved a huge blunder, plunging Toshiba into a grave financial crisis.

Japan, a top nuclear-equipment supplier, signed a separate nuclear agreement with India only last year after other supplier-nations had already concluded such accords. The recent Japanese parliamentary approval removes a critical missing link in commercialising the Indo-US deal. It, however, has come when Westinghouse, GE Hitachi and Areva – which dominate the international reactor export business – are in a dire financial state, with their futures hanging in balance.

Having invested considerable political capital in the vaunted Indo-US deal, India today confronts an embarrassing situation: the nuclear power promise is fading globally before New Delhi has signed a single reactor contract as part of that deal. To save face, India, with one of the world's oldest nuclear energy programmes, has embarked on a major expansion of domestically designed power reactors.

That the decision to construct 10 reactors of 700 megawatts capacity each is monumental is underscored by the fact that the total size of these units surpasses the current installed nuclear-generating capacity in the country. India has 22 nuclear power reactors in operation, with capacity of 6,780 MWe but producing 6,219 MWe. To be clear, the 10 reactors will be in addition to seven



Chit Chow

others already under construction, with a combined capacity of 5,300 MWe.

The 10-reactor decision fits well with India's commitment under the Paris climate accord to reduce reliance on fossil fuels. The single-minded focus on carbon, however, threatens to exacerbate India's water crisis, given the water-guzzling nature of the energy sector, especially nuclear power. Moreover, US President Donald Trump's decision to exit the Paris accord has cast unflattering light on the onerous climate-related obligations India has taken on before it has provided electricity to all its citizens.

Given that the Indian nuclear plant construction time frame averages seven years, India's decision to ramp up its nuclear power capacity may contribute little to meeting its goal of making 24-hour electricity available to all villages and towns by 2022. But the decision will yield major economic dividends, including boosting domestic industry and creating tens of thousands of jobs. By providing

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\$11 billion worth of likely manufacturing orders to Indian industry, the decision will help to transform the domestic nuclear industry.

By contrast, had India relied primarily on imports of Western reactors to accelerate new capacity additions, the financial costs would have been considerably higher, without tangible benefits accruing to domestic industry. In fact, with India already a top weapons importer, reliance on Western reactors would have made it the world's largest import-

er of nuclear power plants – a double whammy for Indian taxpayers, especially given that the country is the only major Asian economy that is import-dependent rather than export driven.

In this light, the travails of the Indo-US deal may be a blessing in disguise for India. But for the serious financial woes of Westinghouse, GE Hitachi and Areva – each of which was to build a cluster of reactors at a separate Indian park – Indian taxpayers would have been potentially saddled with plants like Areva's reactor project in Finland, which is currently almost a decade behind schedule and billions of euros over budget. To be sure, a dispute with Western suppliers over nuclear accident liability also put a break on India's reactor-import plans.

Nuclear power may be on a downward trajectory globally, yet it has earned a rightful place in India's energy mix. The country's domestic nuclear power industry, without technological assistance from overseas, has done a good job in beating the mean global plant-construction time frame and in producing electricity at a price that is the envy of Western reactor vendors.

For many in India's governing elite, the nuclear deal with the US – despite the conditions quietly put into the American ratifying legislation – became the acme of their aspirations for the country. They believed the deal would turn the US into India's enduring benefactor and catapult the country into the big-power league.

It has taken 12 years for Indian hype over the nuclear deal to give way to sober realism. A cost-benefit analysis has helped to lower India's expectations from the deal. India may still buy some Western reactors, but the latest decision clearly signals that its focus will be on building its own reactors. By emphasising its reactor models, India is laying the base for its potential emergence as a reactor exporter. The inward turn reaffirms India's embrace of a zero-carbon power source and underscores its faith in the likely advent of commercially attractive reactors based not on uranium – a resource it lacks – but on thorium, which it has in plenty.

The writer is a geostrategist and author

As Trump forges his own view of US-India bilateral ties, challenge for Modi is to build on the gains of past three years

Arun M Kumar



Prime Minister Narendra Modi goes to Washington next week at the midpoint of his term and at the start of President Donald Trump's. The challenge facing Modi, as Trump starts shaping his view of US-India bilateral ties, is to build on the gains of the past three years.

The Obama administration saw the election of Modi as an inflection point in the India-US relationship. When Modi came to power in May 2014, the US-India bilateral relationship was perceived to be losing momentum. Over the first 18 months of his prime ministership, the Indo-US relationship reached a high point with President Obama's visit to India in January 2015 and the establishment of the Strategic & Commercial Dialogue (S&CD), covering a wide swath of political and economic issues.

S&CD recognised the centrality of business and commerce to the relationship and established a constructive climate for mutual progress along with the Trade Policy Forum that focussed on specific policy issues. It helped rejuvenate the India-US CEO Forum, allowing recommendations of leading CEOs to be directly conveyed to leaders of the two governments.

The last three years saw many successes, including overall increase in mutual trade, from \$97 billion in 2013 to \$115 billion in 2016. Global businesses

lauded specific improvements in the ease of doing business such as reduction in backlog of transfer pricing tax cases and passage of a bankruptcy code. There were substantial transactions (locomotive manufacturing facility in Bihar by GE; Mahindra's expansion of an agriculture facility in Houston) and investments that led to job creation in both countries.

Trump administration will want to put its own stamp on the relationship. It is focussed on large deal announcements on the one hand and trade deficits on the other. At the same time, Indian leadership is traditionally averse to being transactional and is intentional about distancing the announcements of deals from leadership visits.

The trade deficit with India has remained flat over the last three years even as total trade grew. China runs a trade deficit with US that is ten times higher than India's; even Ireland and Vietnam run larger deficits than India. A recognition that India-US trade is marked by a diminishing deficit as a percentage of total trade will be a good starting point to constructively address the deficit and thus the way forward for India-US trade.

Trump has been vocal in his opposition to establishment-centred (Washington DC) approaches to policy and governance. In India, Modi has championed the devolution of economic decision making to India's states and the concept of competitive federalism.

Both governments will gain by fostering engagement at the level of each



A recognition that India-US trade is marked by a diminishing deficit as a percentage of total trade will be a good starting point with the Trump administration

country's states. The real action for economic development, business and commerce will be at the level of specific states in India. In the US, states have been laboratories for innovation and industry and in India we see examples of states, with dynamic leadership, attain double digit rates of growth. For businesses, the nitty-gritty of business

operations occurs at the state level. US states are looking to help their businesses expand and Indian states are looking for investment and to further their growth.

For US and India, it would be productive to have leaders of the major states in each country, along with their business leaders, meet once a year in a structured setting to advance business and other mutual interests. As a new initiative added by the two governments, S&CD could be augmented to embrace interested states.

A 'Governors-Chief Ministers Business Conclave' for state governors, chief ministers, and CEOs/senior business leaders could see participation from American states like California, New Jersey, Texas, Illinois, Michigan and Utah based on interests in trade as well as diaspora links. From India, initial participating states could include Gujarat, Maharashtra, Andhra Pradesh, Telangana, Rajasthan and Madhya Pradesh. Goals of the conclave would be to promote investments and trade in both directions and create jobs in the states involved.

Modi has been fostering the concept of competitive federalism in India, a mode of working that is pervasive in the US. Encouraging greater connections and collaboration at the level of both countries' states would create a multitude of touchpoints between the two countries that can potentially take this inherently vibrant relationship to the next level.

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dilbert



All About Shraddha, Vision Of Life

Swami Tejomayananda

We often hear this saying, 'As you think, so you become.' The Bhagwad Gita declares, 'What and how we think, is rooted in a deeper factor – shraddha.'

Commonly, 'faith' or 'shraddha' denotes religious faith, faith in God or faith in the other world. Hence 'faith' has come to be associated with people making statements like, 'I have no faith. I am an atheist. I do not believe in God, in the scriptures or religious rites and rituals.' Such a misconstrued connotation of the word leads many to assert, 'I don't have faith. I am a rational man of reason.' This implies a deep dichotomy between faith and reason.

Shraddha is not just related to religious rites and faith in God alone. Shraddha plays a unique and great role in our lives. Firstly, to gain any knowledge in physics, chemistry, mathematics, or

any other subject one requires a valid means of knowledge. For instance, the eyes are the means of knowledge by which we see the colour and form of an object. To gain any category of knowledge – secular, religious, or spiritual – we need a reliable means of knowledge that is called pramana. Pramana is the instrument or means of knowledge, in whose validity and authenticity one needs to have faith.

In science, sense organs are the primary means of knowing. We have absolute faith in them and implicitly believe in the accuracy and truth of their reports. But, observations and analysis gathered through instruments like the microscope or telescope are useful only if we have eyes. Hence, we have faith in our senses, in these instruments and nowadays, great faith in internet se-

arch engines and the print media. Just because it is printed, does not mean it is true. Mark Twain once said, 'If you don't read the newspaper, you're uninformed. If you read the newspaper, you're misinformed.' To gain knowledge, we require instruments in which we have faith.

The second aspect of shraddha is defined as kruti hetuhu, the factor that motivates action. We are constantly engaged in actions, but what motivates us to do anything for the first time? It is the specific thought, 'I can do it.' This 'I can do' conviction with faith and trust in our senses and intellect is an important aspect of shraddha.

Another facet is our belief and value systems. A communist may not believe in the Vedas or Gita but believes in the philosophy of Karl Marx. Today,

people have much faith in the share market! Do we not allow a surgeon to perform an operation because of faith? To know or do anything, we require faith. A religious person holds a particular faith; an atheist or a communist another. Since thoughts dictate faith, Krishna declares, 'Man is what his faith is.'

However, shraddha can change; thoughts can change; transformation occurs – atheists have become illustrious saints. So, shraddha is a great and powerful virtue; it is the virtue which upholds the Truth. Therefore, a person with deep faith gains knowledge.

To conclude: shraddha is a belief system, a value system, a way of looking at things, knowing and acting. In short, it is a Vision of Life.

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Sacredspace

So Liberated

When you have realised the Truth, there is neither the 'world' nor the 'self'. 'Happiness' and 'unhappiness' are seen as meaningless words. Your grief is superficial, for you are free from sorrow.

Yoga Vasishtha