



**Inflation conundrum**

Record low retail inflation poses a monetary policy dilemma for the RBI

**T**he latest Consumer Price Index data show headline retail inflation has decelerated to a record low of 1.54% in June. That the reading has slid below the 2% lower bound of the Reserve Bank of India's medium-term target for CPI inflation has understandably led to calls for the RBI to support economic growth by cutting interest rates. Economists, including Chief Economic Adviser Arvind Subramanian, have openly questioned the assumptions made by the majority of the members of the RBI's Monetary Policy Committee with regard to prices and have urged a reboot of the policy rationale. Core inflation, which strips out the relatively volatile food and fuel prices, has also trended lower and eased below 4% for the first time in at least five years. And with the latest industrial output data from May reflecting weaknesses in key sectors like capital goods and consumer durables, the reasoning behind demands for monetary action that could help spur both investment and consumer demand is evident. Others have also flagged concerns about "deflationary trends" and the risks of relying too heavily on forecasting models. The voices exhorting the central bank to reduce interest rates are only going to grow ahead of its next bi-monthly policy review at the beginning of August.

For the six members of the RBI's rate-setting panel, including Governor Urjit Patel and his deputy overseeing monetary policy, Viral Acharya, the data pose a conundrum that is going to test their sagacity. For one, the beneficial base effect will begin to reverse after peaking in July. Also, the majority of the risks to the inflation outlook that the committee's participants had flagged collectively and individually at the last meeting in June, when they had opted to sit pat while retaining a neutral stance, are still largely relevant and yet to play out. The impact from the July 1 introduction of the Goods and Services Tax, for instance, will begin to feed into prices only over the coming months – based on the initial anecdotal trends in the prices of various services, there could be upward pressure on core inflation. Similarly, the payment of increased allowances under the Seventh Central Pay Commission's award, which came into effect from the beginning of this month, could also start to transmit into price gains. As Mr. Acharya had pointed out at the last meeting, fiscally expansive measures taken by several State governments to address farmers' demands for debt relief could pose a "tail risk" by triggering generalised inflation over time. And the restoration of the health of the banking sector, a key caveat for ensuring effective transmission of monetary policy, is as yet far from being close to a fruitful outcome. Ultimately, the RBI will have to weigh whether the current trend in inflation is likely to remain durable enough for it to make a move that doesn't end up proving to be a costly error in the long run.

**Stellar run-getter**

Mithali Raj has done much more than just put her stamp on the record books

**M**ithali Raj has been the torch-bearer for women's cricket in India for 18 years. Ever since her international debut as a 16-year-old in a game against Ireland in 1999, she steadily grew in stature, batting with aplomb, scoring critical runs and shepherding her team. Today she is a colossus, and it is not surprising. Consistency has been her second skin and confidence a steady ally. When she scored 69 runs against Australia in the ICC Women's World Cup game at Bristol on Wednesday, she became the first woman to scale the 6000-run peak in one-day internationals. It was a milestone that proved inevitable once she went past the previous record-holder for the highest number of runs, England's Charlotte Edwards with 5992. Ironically, Raj was fated to succeed at the individual level and also suffer the agony of her team's defeat. It is a trope that has shadowed her for the most part, though in recent times she has led a squad that displays vigour and has snatched some key victories. During a large chunk of her career, she remained the team's spine, much like how Sachin Tendulkar was in his early years before Rahul Dravid and Sourav Ganguly stepped up. Now 34, she can breathe a touch ease, with the rise of Smriti Mandhana and Punam Raut giving the team punch.

The world records for highest runs and wickets are now both held by women in the current Indian squad - Raj (6028 runs) and Jhulan Goswami (189 wickets), respectively. It is a rare occurrence and it needs to be celebrated more wholesomely. In the men's game, Sunil Gavaskar and Kapil Dev had led the Test batting and bowling charts, respectively, but at different points in time, not together. The achievements of Raj and Goswami, and the exploits of Mandhana and Raut might give the impression that Indian women cricketers have it easy. Nothing could be farther from the truth. For years, women cricketers have fought patriarchy, toiled at private academies and yearned for frequent international matches. The Board of Control for Cricket in India only belatedly, and that too under pressure from the ICC, embraced women's cricket – and its support to the women's game is still far from adequate. For instance, Raj, a regular in the Indian squad, has had the opportunity to play 183 ODIs – compared to Yuvraj Singh's 304, even though he made his debut a year after her. A trained Bharatanatyam dancer, Raj has been an eloquent spokesperson for her sport, detailing the challenges and busting prejudices and stereotypes. Recently she swung a heavy bat for gender equity when she rightly snubbed a reporter, who asked about her favourite 'male' cricketer. Raj's riposte was terse, but captured the arc of stereotypes a woman cricketer has to fight: "Do you ask the same question to a male cricketer? Do you ask them who their favourite female cricketer is?" Maybe we should.

**The Islamic State after Mosul**

Like al-Qaeda before it, the IS is expanding its asymmetric reach as its territorial strongholds come under attack



STANLY JOHNY

**I**raqi Prime Minister Haider al-Abadi declared the end of the 'Caliphate' late last month after his troops captured the Grand al-Nuri Mosque in Mosul from where Abu Bakr al-Baghdadi proclaimed himself the 'Caliph' of the world's Muslims three years ago. The 12th century mosque, whose famed leaning minaret had been adorned with the black flag of the Islamic State (IS) since June 2014, was a symbol of power for the jihadists, so much so that they blew it away and retreated as the Iraqi troops closed in. Within weeks, Mr. Abadi was in Mosul to formally announce the liberation of Iraq's second largest city.

It's no small achievement for an army which fled Mosul in droves when IS fighters marched in three years ago. The IS ruled the city with an iron fist ever since and expanded its influence beyond the city limits. The Iraqi army took months to recover from the humiliation it suffered and launched a counter-terror campaign with help from Iran-trained militias and the U.S. Air Force. They liberated small cities first, such as Ramadi and Fallujah, before finally moving towards Mosul in October last year. The Kurdish Peshmerga also joined in, while the U.S. carried out a massive air campaign. In nine months the IS lost Mosul, the jewel of its Caliphate.

This is in line with the military setbacks the group has suffered in

recent months. It has lost more than half of the territories it once held. Its propaganda blitzkrieg has taken a hit and even its ability to recruit new jihadists is under strain in the wake of battlefield losses. Its leader Baghdadi is either dead or on the run. But do these setbacks mean the IS is defeated? Has the 21st century 'Caliphate' run its course? The ground realities and a historical analysis of the evolution of the IS suggest otherwise.

**Down but not out**

First, the IS's proto-state is not completely destroyed yet and it will not be in the immediate future. Though it lost Mosul, the IS still controls swathes of strategic territories in Iraq. Hawijah, a city adjoining Kirkuk that has been with the IS since 2013, continues to pose challenges to the Iraqi troops. The city's mountainous terrain makes it difficult for the counter-terror forces to move in.

Besides Hawijah, the group controls Tal Afar, Salahuddin province and pockets in Anbar and Diyala. In Syria, it still controls Raqqa, its de facto capital which has been with the group since 2013, and Deir Ezzor, the largest city in the east. The battle to recapture Raqqa has just begun by the Kurdish-led Syrian Democratic Forces (SDF) and will take time like other anti-IS battles.

Second, there's no guarantee that the IS won't come back to the cities it lost. It had done so earlier. The geopolitical fault lines of West Asia, especially in Iraq and Syria, which helped the IS rise in the first place, remain unchanged. In Iraq, a greater challenge before the government is to win over the people in the north and west, mostly Sun-



AFP

nis, who distrust the Shia-dominated government. In Syria, the battle against the IS is more complicated than that in Iraq. In Iraq at least there is a consensus about what the legitimate force is against the IS. All players, from America and the Kurds to Iran and Shia militias, rallied behind the Iraqi government in the war. But in Syria, there's no such consensus. Raqqa is being attacked by both the SDF and the government troops. The U.S. is supporting the SDF, while Russia is backing the regime. Turkey, another country that's involved through its proxies in the civil war, is wary of the SDF because it's led by the Kurdish rebels. So even if Raqqa is liberated, it is difficult to reach a consensus on who will eventually run the city. If chaos prevails, that would be good news for the jihadists.

Third, the IS is fundamentally an insurgency that transformed itself into a proto-state. Now the proto-state is under attack, but the group

was destroyed. In May 2016, Abu Mohammad al-Adnani, who was the second-most powerful leader in the IS till his death in an air strike in August that year, said in a long audio message released on the Web: "Whoever thinks that we fight to protect some land or some authority, or that victory is measured thereby, has strayed far from the truth."

**In insurgency mode**

In fact, the IS has changed its strategy after the 'Caliphate' came under attack. Instead of expanding its territories, the group became defensive at its core and unleashed a wave of terror attacks elsewhere in the world, from Paris to Brussels and Berlin to Dhaka. It has also established franchises in other countries. Boko Haram, Africa's most dreaded terror outfit, has declared loyalty to the IS. In eastern Afghanistan, the IS has a branch – the Islamic State of Khorasan – which is directing the group's operations in South Asia.

The recent outbreak of a war in the Philippines, where armed jihadist groups that have declared loyalty to the IS have been fighting government forces, suggests that the IS is expanding its asymmetric reach when its core is under attack.

All this suggests that the threat is far from over. The IS has already transformed itself into a globalised idea and outsourced its terror mission to groups and individuals who subscribe to its world view. So even if the IS core is destroyed, the IS insurgency, or an 'al-Qaedafied' Islamic State, will continue to pose security challenges.

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**It's not help, it's work**

We need a legislation to regulate domestic work



G. SAMPATH

**E**mploying a help in house? Only after verification," says the ad's headline. Below, in capital letters, appears a warning: "An unverified domestic help can pose a serious security risk." And then a call to action: "Contact your beat constable or local police station for domestic help verification."

The copy is set against a visual of a cop taking a picture of a young girl, presumably the domestic help, while an elderly woman, her employer, looks on. The girl picked to represent the 'domestic help' has the features of an adivasi, is slightly built, and dark-complexioned. She is shown standing, in one corner of the frame, while the cop and her employer are seated.

Readers of English newspapers would be familiar with this ad campaign, urging them to get their domestic helps verified by the police. Of late, these ads have become a matter of great concern for unions, domestic workers, and social activists, who say the campaign reeks of class prejudice.

But what they find most objectionable is the criminalisation of people on the basis of their occupation. Copies of so-called police verification forms are doing the rounds of housing societies across Delhi.

Domestic workers are being made to fill up the form and submit them to the nearest police station.

The data sought by the form includes, among other things, the domestic help's "petwords of speech", "physical built", "complexion" and "handwriting specimen", besides descriptions of eyes, hair, tattoo marks, and prints of all the fingers of both hands. No such information is sought about the employer, despite there being ample evidence to suggest that the security threat works the other way too.

Indeed, hardly a week goes by without some news report about a domestic help being abused by her employer. Cases of torture, beatings, sexual assault, and incarceration are common. If anything, one could argue that in this sector, it is the employer who poses a bigger security threat – to the employee.

**Lack of recognition**

For the record, no other category of workers is required to register themselves with the police. In a country where 93% of the workforce is in the unorganised sector and therefore beyond the purview of most labour laws, domestic workers represent a new low in terms of disempowerment: they are not even recognised as workers. Their work – cooking, cleaning, dish-washing, baby-sitting – is not recognised as work by the state. Criminalisation is thus the last straw.

India has only two laws that, in a roundabout way, construe domestic helps as workers. The Unor-



GETTY IMAGES/ISTOCKPHOTO

ganised Workers' Social Security Act, 2008, (UWSSA) and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. While the former is a social welfare scheme, the latter is aimed to protect working women in general. Neither of these recognises domestic helps as rights-bearing workers.

Yet this recognition is a necessary pre-condition for state regulation. Strangely enough, it exists – in the form of a draft National Policy for Domestic Workers. This policy not only calls for promoting awareness of domestic work as a "legitimate labour market activity", but also recommends amending existing labour laws to ensure that domestic workers enjoy all the labour rights that other workers do. But the government seems to be in no hurry to adopt it.

Domestic work as an economic activity is too vast and employs too many to remain unregulated. Though the 2011 NSSO data put the number of domestic workers at 3.9 million, trade unions estimate the number to be around 10 million.

Most of these are from vulnerable communities – Adivasis, Dalits or landless OBCs. Nearly all of them are migrant workers. And an overwhelming number are women.

The apparently endless supply of domestic workers has a lot to do with the decline of employment opportunities in the agriculture and manufacturing sectors, which took a hit post-2008. At the same time, demand kept rising, as the entry of middle class and upper middle class women into the male-dominated world of work was not matched in scale by a corresponding entry of men into the (femalised) realm of unpaid housework.

Poorer women from the hinterlands stepped in to fill the labour gap, for some remuneration. Today, the economic value of housework is no longer disputed. But the nexus of the state and the market has managed to keep domestic work outside the realm of economic regulation. Neither the Maternity Benefits Act nor the Minimum Wages Act or any of the scores of other labour laws apply to domestic work. Domestic workers can be hired and fired at will. The employer has no legally binding obligations.

**A regulatory framework**

Some have attempted to justify the government's reluctance to regulate domestic work on the grounds that the workplace is a private household which should not be encroached upon by the state. But this argument does not hold since the anti-sexual harassment law recognises the private household as a

workplace. Besides, we already have a draft legislation that presents a model for regulating domestic work without inviting the state into the living room, as it were.

The National Platform for Domestic Workers submitted a draft bill, the Domestic Workers Regulation of Work and Social Security Bill, 2016, to the government in January. Going beyond state-centric welfare measures, it calls for the compulsory registration of the employer and the employee with the District Board for regulation of domestic workers. Unlike the UWSSA, which puts the onus on the state, it mandates the collection of cess from the employer for the maintenance of a social security fund for domestic workers, whose access would be mediated through an identity card.

This framework achieves both the objectives of police verification – security, and documentation of identification data. But in a refreshing contrast, it does so not by criminalising domestic helps but by empowering them as rights-bearing workers.

Thus, to view domestic workers as a security threat is but another way of denying them the status of workers. The policy mindset regarding domestic workers must shift from a law-and-order paradigm to one about workers' rights. A good place to start would be to consider enacting a Domestic Workers Regulation of Work and Social Security Act.

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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.

**Floods in Assam**

It is that time of the year when rains wreak havoc in India's Northeast ("Flood situation critical in Assam," July 11). Assam, due to its bowl-shaped topography, suffers the worst impact, partly due to the torrential rains and, most importantly, because of the swelling of the mighty Brahmaputra. Though the cycle gets repeated annually, the Assamese society has developed the fortitude to adapt to such calamitous events.

However, over the past few years, owing to the seismic shifts in the macro-climate, there has been a worsening impact. In addition, unplanned development is aggravating the devastating consequences, the impact reaching even areas where floods were hitherto not a recurring phenomenon. It has to be understood that the entire north-eastern region is situated at the epicentre of naturally ordained cataclysms like

floods and quakes.

Development priorities of the region have evaded this fact of nature. It is thus imperative that policy documents reflect these realities. The State government can persuade the Centre to seek foreign assistance in this regard, preferably from Japan. BIBHUTI DAS, Cachar, Assam

**Amarnath deaths**

Once again, the terrorists have struck a soft target and caused casualties ("Tough times," editorial, July 12). But the root of this tragedy is the situation in Kashmir. The cobbed-up ruling coalition in Kashmir is neither able to enforce any sort of governance nor in any way aware of the ground realities. Whatever may have been the motive behind the terrorist attack, what it could have achieved was a communal flare-up across the country. However, what perhaps saved the situation was the

daredevil bravery of the Muslim driver who drove through the hail of bullets, which saved a majority of the pilgrims. Whether the Opposition blames the ruling party or the ruling party blames the terrorists, it is the common citizen of the country who is affected. The ruling dispensation is busy blaming the past governments and Pandit Jawaharlal Nehru for all the ills plaguing Kashmir today. What it tries to wish away is the fact that statistics of the terrorist attacks and violence have shown a steady upward trend in the past couple of years.

VARGHESE GEORGE, Secunderabad

The deceptive calm that fell over Jammu and Kashmir on the death anniversary of Burhan Wani has been torn to shreds by the terror attack on Amarnath pilgrims. The pilgrims may have taken a bus that wasn't registered.

They may have travelled after permitted hours, along a path that wasn't protected. However, the fact remains that if the terrorists don't stop firing if an innocent comes in their line of fire, they are killing that innocent with a motive. Should we now let terrorists decide how, when and where we travel in our own country? While it is the government's prerogative to decide on the response to this dastardly attack, we, the citizens of India, should not let our collective anger turn limp with time. Inaction against the terrorists is not an option. J.S. ACHARYA, Hyderabad

**The Ravi rises, again**

Finally, Ravi Shastri has been appointed the India cricket team coach. It looked like a foregone conclusion. There is no doubt that Shastri has the job credentials for the job ("Coach Shastri," editorial, July 13). Added to that, he

gets along well with the players and has had a stint as team director before. However, the entire process of decision-making, though we are made to believe that rules were followed, smacks of the working of an "old boys' club". Deferring the decision of the coach appointment by a day, as Sourav Ganguly explained, so that the Advisory Committee could get the captain Virat Kohli's views, is also rather new. Since when have captains been consulted about coach appointments? The fact that the BCCI is an "old boys' club" has been brought home many a time to discerning followers of

the game in India. Ramachandra Guha, a former member of the Committee of Administrators, realised this. His long letter of resignation rocked the boat but the effect was minimal. Things have since settled down to the old normal. The 'old boys' at the BCCI are just biding their time until the CoA runs out of steam or members, whichever is earlier, and they can come back and run their fiefdoms as they please. S. KAMAT, Alto St. Cruz, Goa

MORE LETTERS ONLINE: www.hindu.com/opinion/letters/

**CORRECTIONS & CLARIFICATIONS:** ->The graphic that went with front page story on trade deficit (July 13, 2017) erroneously said the figures were in '₹ 000 crores'. It should have said: "in ₹ lakh crores".

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail: readerseditor@thehindu.co.in; Mail: Readers' Editor, The Hindu, Kasturji Buildings, 859 & 860 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com



LEFT, RIGHT, CENTRE

# Is CBI the handmaiden of the government?

The CBI has to be placed under an independent body to investigate cases without government interference



**PRASHANT BHUSHAN**  
is a senior advocate at the Supreme Court

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**LEFT** The Central Bureau of Investigation (CBI) acts largely at the behest of the government of the day and this becomes quite obvious from the things done and not done. Take the cases of M. Jayaram Singh Yadav or Mayawati. Whenever the government wanted to put pressure on them, the CBI was used to pursue the case of disproportionate assets against them. When the politicians came around, the case went cold. If you recall, it just went back and forth.

It is in this context that we need to understand Prime Minister Narendra Modi's statement in February

warning the Congress Party: *zabaan sambhaal kar rakho, warna mere paas aapki poori janam patri padi hui hai* (Hold your tongue, I have your entire horoscope). What did he mean by the statement? The present government has even put pressure on the judiciary.

### Its master's voice

Similar questions will be asked about the current raids on Lalu Prasad – specially the timing and the manner in which the raids are being conducted.

I am not saying there is no case against Mr. Prasad, it is a 10-year-old case. What I am arguing is,

whether the CBI acts or not depends on the political will of its master. In this case, there is a clear indication that the Modi government wants Bihar Chief Minister Nitish Kumar to break ranks with Mr. Prasad. There are many such instances.

### Air India case

Take Air India, for instance. We have been arguing for the last six years about corruption in the Civil Aviation Ministry during Praful Patel's tenure – which is also part of the book, *The Descent of Air India*, by the former Managing Director of Air India, Jitender Bhargava. But look what happened.

Our petition dragged on for six



years and only recently after the Supreme Court asked the CBI to take a view has the matter moved.

The CBI has filed an FIR. But again, the circumstances under which action is now being taken

raises question on the timing of the case.

Why not then? And why now? Is the move linked to pressurising Mr. Patel in any manner and if so, to what end?

We can go as far back as the Bofors case to understand how the CBI has been used by successive governments to work for them.

I could give you more examples. Take the case of former Chief Minister of Karnataka, B.S. Yeddyurappa,

who had been chargesheeted by the CBI in the case involving donations made to his trust by miners who obtained contracts.

The court has let off the former CM. Why didn't the CBI appeal against the order? The silence is deafening.

### Need for autonomy

The movement against corruption, or the Lokpal movement, had made a plain argument when it sought the delinking of the CBI from the administrative control of the government. In that as long as the government of the day has the power to transfer and post officials of its choice in the CBI, the investigating agency will not enjoy autonomy and will be unable to investigate cases freely.

Then again, there are instances of corrupt officers in the CBI who become pliable in the hands of the government. The CBI has to be placed under an independent body.

Then again, there are instances of corrupt officers in the CBI who become pliable in the hands of the government. Who can forget the tenure of Ranjit Sinha?

The CBI has to be placed under an independent body.

The CBI, Income Tax Department and the Enforcement Directorate are three instruments which the government has used for political purposes and the pressure they apply is always by way of inaction. They act only when the government wants them to act.

as told to Anuradha Raman

The fault is not so much of the organisation as of the people who shape its structure and define its powers



**PRAKASH SINGH**  
is a former Director General of the Border Security Force

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**RIGHT** Institutions are created in response to certain situations. There are times when the responses are in furtherance of a political agenda and there are times when responses reflect the genuine desire to deal with a situation. In either case, institutions need to be upgraded and modernised.

### A colonial creation

The Police Act of 1861 was passed with a political objective – to uphold the imperial interests of the British Empire and create an

agency which would be at the beck and call of the masters and carry out their orders, right or wrong, legal or otherwise.

During the Second World War, the Government of India realised that the vast increase in expenditure because of the war effort had provided opportunities to unscrupulous elements to indulge in bribery and corruption. The police and other law enforcement agencies, it was felt, were not in a position to cope with the situation. An executive order was therefore passed in 1941, setting up the Special Police Establishment (SPE) in

the then Department of War.

In 1946, the government passed the Delhi Special Police Establishment Act, expanding its functions to cover all departments. With the passage of time, more and more cases came to be entrusted with the SPE. In 1963, through a resolution, the government metamorphosed the SPE into the CBI, under the Ministry of Personnel. It has since gradually evolved into a multifaceted, multidisciplinary investigating agency.

### Criticism and inaction

The CBI has been criticised from time to time. Justice J.S. Verma in an



article published in 2009 stated that "it is sad that even now the CBI continues to disappoint the people whenever it deals with cases against the powerful". The Supreme Court [in 2013] called it a "caged parrot".

The criticism is valid, but can we hold the CBI responsible for that? Successive committees at different periods of time suggested changes in the composition and structure of the CBI.

As far back as 1978, the L.P. Singh Committee recommended the "enactment of a comprehensive central legislation to remove the deficiency of not having a central investigating agency with a self-sufficient stat-

utory charter of duties and functions". The 19th report of the parliamentary standing committee (2007) recommended that a separate Act should be promulgated for the CBI "in tune with the requirements of the time to ensure credibility and impartiality".

The 24th report of the parliamentary standing committee (2008) was of the unanimous opinion that "the need of the hour is to strengthen the CBI in terms of legal mandate, infrastructure and resources". It is unfortunate that none of these recommendations were acted upon.

Who is to blame then? The government or the CBI? It is unfair to blame the organisation when it is not given the required legal man-

date, when it is not provided with the requisite manpower and financial resources. It is true that some of the recent Directors of the CBI brought a bad name to the organisation, but the truth of the matter is that in their cases the selection process was subverted or tweaked and protégés of influential politicians posted. The fault is not so much of the organisation as of the people who shape its structure and define its powers.

It is a matter of common experience that every time there is a sensational case, the popular demand is for a CBI investigation. The CBI is a first-class investigating agency as long as the government does not interfere with or influence its functioning.

It wouldn't be fair to damn an organisation for its poor recent performance and ignore its long-term record



**NAVNEET RAJAN WASAN**  
retired as Director General of Bureau of Police Research & Development and has earlier served in the CBI and the National Investigation Agency

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**CENTRE** The CBI has made its mark as an independent, objective and fair investigation agency over the years. It has won the confidence of the public, judiciary and media, resulting in a frequent demand that it investigate sensitive and complex cases, especially of corruption among the upper echelons of public service.

### Stellar service

The high standards and fair play in investigation have been the result of time-tested internal controls laying emphasis on collection of evidence,

its objective evaluation, and freedom to record an independent and honest opinion by different ranks as regards prosecutability of an accused or otherwise. The status of an accused or his affiliation to a particular organisation has not been of any importance for investigation.

It has been well recognised that it is the quality, calibre and professionalism of personnel that make the CBI what it has come to signify. In order to maintain the standards, the leaders of yesteryear ensured that officers having experience of working in the CBI were inducted in senior supervisory positions.

Whenever there was a deviation from the standards set or someone was accused of dishonesty, remedial action was initiated and a review made to improve the internal control mechanism.

This, of course, does not mean that the organisation and its leaders have never faltered in the discharge of their duty. The CBI's image did suffer a setback in the last few years.

The organisation faced its first major challenge when it was accused of inertia in its probe against the high dignitaries in Jain hawala diaries case [of the 1990s]. On a PIL filed in this matter, the apex court, in what is known as the *Vineet*



*Narain* case, not only decided to monitor the probe but also issued guidelines for selection of officers including its Director with an assured tenure of two years.

Later, these were formalised by way of amendments in the Delhi Special Police Establishment Act and modified again in respect of selection of the Director by further amendments through the Lokpal & Lokayuktas Act, 2013. The purpose was to ensure the autonomy and independence of CBI.

Unfortunately, the mechanism put in place failed to deliver. Some of the Directors in the recent past did not inspire much confidence.

The organisation lost direction under their leadership and earned the dubious reputation of being a "caged parrot".

The well laid down systems were given the go-by, and decisions to prosecute or not were not taken on merit. Two of its Directors are under investigation for allegations of corruption.

### Back to basics

However, I am of the opinion that it would not be fair to damn an organisation for its ignominious performance for a short interlude and ignore its long-term record.

The trend can certainly be reversed by going back to basics, sticking to its time-tested internal procedures and compliance to the

tenets of rule of law. The present leadership, no doubt, has an onerous responsibility to bring back the past glory by ensuring that the CBI remains above all influence and works as per the law.

To ensure the CBI is a robust, independent and credible investigation agency, there is an urgent need to work out a much more transparent mechanism for selection of the Director and induction of officers on deputation.

The tenure of the Director needs to be enhanced, terms of officers made sacrosanct and the CBI given reasonable financial and administrative autonomy if it has to live up to its motto of 'Industry, Impartiality and Integrity'.

## SINGLE FILE

### Tale of two countries

Sri Lanka's tea industry is in celebratory mode, while India's struggles

INDRANI DUTTA



Sri Lanka has unfurled a series of events to mark the sesquicentennial of its tea industry. Starting with the installation of a bust of James Taylor, the man reputed to have launched commercial cultivation of tea in 1867, the island nation has lined up many programmes throughout the year to commemorate the occasion.

These include: release of a coin, outreach programmes in its seven tea-growing regions, a charity auction, an international Colombo Tea Convention, an award ceremony, and an international tea festival.

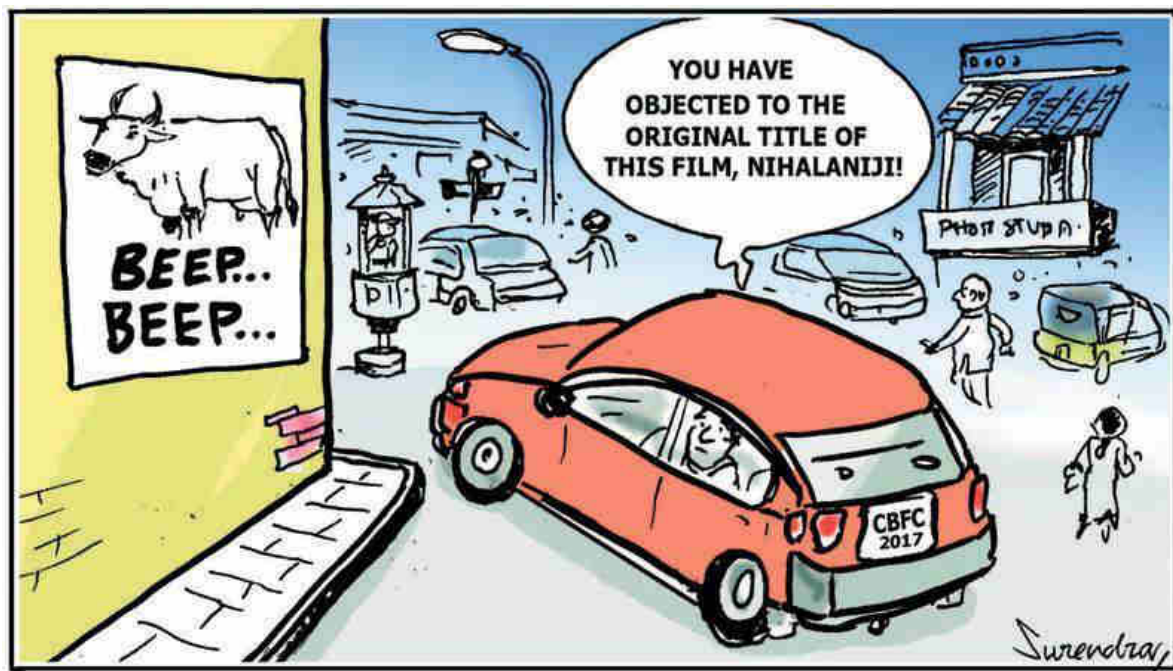
The aim is to promote tea as well as tourism.

The Sri Lankan tea industry, with an annual production of about 300 million kg, accounts for 5% of world output. It is also among the world's top five exporters of the agro-commodity and contributes to 15% of the nation's foreign exchange revenue and supports 20% of the country's population through direct and indirect employment.

The celebratory mood in Sri Lanka stands in contrast to the present state of affairs in the Indian tea industry. Big companies are exiting the industry. The remaining few are witnessing increased pressure on their bottom line in the wake of increased costs amid decreased earnings. Tea quality has become an issue and this is reflected in depressed prices.

In 2016-17, India's tea output stood at 1,250.5 million kg. Exports dropped for the second consecutive year. The organised sector's share was 55.9%, with the balance being accounted for by the small growers. The industry employs over one million people directly and also provides housing facilities to their families, yet it is plagued by the issue of absenteeism as well as worker migration. The industry's cup of woes has now brimmed over with the Darjeeling imbroglio, where a political shutdown has dealt a body blow to a tottering industry. The tea industry is on its way to losing its second-most valuable crop – the second flush tea. It will not only result in a foreign exchange loss to the country, but also affect the global brand equity of Darjeeling tea in the global market.

It is not as if the problems being faced here are unique to the Indian tea industry. The Sri Lankan tea industry is beset with similar problems of high cost, effect of climate change and fluctuating exports. However, unlike India, the sector is in greater focus there. The government pulls out all the stops to promote an export-oriented industry. Sri Lanka also surmounts odds to hold on to its export markets in strife-torn countries like Syria where India is absent now. The current round of events is directed at keeping up its international presence. It rarely misses an opportunity to expose its industry to a world where consumption of the beverage is growing.



### CONCEPTUAL PEG ratio

A metric used to evaluate the attractiveness of a stock by comparing its price-to-earnings ratio with its earnings growth. It is calculated by dividing the price-to-earnings ratio by the annual earnings growth rate. The PEG ratio is considered superior to the PE ratio since it evaluates a stock in relation to its earnings growth. For example, the PEG ratio would suggest that a stock with a low PE is not necessarily a better buy than a stock with high PE if the latter has a sufficiently higher rate of earnings growth. The metric was popularised by American investor Peter Lynch through his 1989 book *One Up on Wall Street*.

### MORE ON THE WEB

Here's the lowdown on the Darjeeling unrest  
<http://bit.ly/darjunrest>

### ACT ONE Gender empowerment

A Bill seeks to integrate transgender persons into the mainstream

KRISHNADAS RAJAGOPAL

An effort to bring transgender persons out of the shadows is on with the Kochi Metro, followed by the Chennai Metro, hiring them in their workforce.

These steps may have been spurred by the Supreme Court's judgment on April 15, 2014 in the *National Legal Services Authority vs. Union of India* case, in which it asked the government to take steps for the welfare of transgender persons and to treat them as a third gender for the purpose of safeguarding their fundamental rights.

But the Transgender Persons (Protection of Rights) Bill, 2016 is still pending in Parliament. It attempts to bring the community into the mainstream. Decades after the Indian Constitution guaranteed the fundamental right to equality, freedom from discrimination on the basis of sex and gender and freedom of speech and expression, transgender persons face prob-

lems ranging from social exclusion to discrimination, lack of education facilities, unemployment, lack of medical facilities, to name a few.

### Providing recognition

The Bill seeks to define and provide recognition to transgender persons, prohibit discrimination against them, ensure inclusive education, create a statutory obligation on public and private sectors to provide them with employment and recognises their right to "self-perceived gender identity". It also seeks to issue a certificate of identity to transgender persons, provide for a grievance redressal mechanism in establishments and to establish a National Council for Transgenders.

The Bill makes the government responsible for chalking out welfare schemes and programmes which are "transgender sensitive, non-stigmatising and non-discriminatory". Noting that it is a crime to

push transgender persons into begging or bonded or forced labour, the Bill recognises the rights of transgender persons to live with their families, not to be excluded from such households and enjoy and use the facilities of those households in a non-discriminatory manner.

However, the Bill does not address the issue of Section 377 of the Indian Penal Code. Further, the definition of a 'transgender person' is left vague. It says a transgender person is one who is "neither wholly female nor wholly male or a combination of female or male or neither female nor male and whose sense of gender does not match with the gender assigned to that person at the time of birth, and includes trans-men and trans-women, persons with intersex variations and gender-queers". The Bill does not separately define any of these terms used, like for example, "trans-men" and "trans-women".

## FROM THE HINDU ARCHIVES

FIFTY YEARS AGO JULY 14, 1967

### Gadgil, Venkataraman for Commission

The appointment of Prof. D.R. Gadgil as Deputy Chairman and Mr. R. Venkataraman, as member of the Planning Commission, was officially announced here [New Delhi] to-day [July 13]. Prof. Gadgil is a noted economist and member of the Rajya Sabha. Mr. R. Venkataraman is a former Minister of Industries in Madras. Mr. Venkataraman's acceptance of the Prime Minister's offer of Commission membership made to him last week was received only to-day [July 13]. Prof. Gadgil informed the Prime Minister of his willingness to accept the post when he met her on Monday [July 10]. The Administrative Reforms Commission has recommended the appointment of five members and a Deputy Chairman for the Planning Commission. For the present it is proposed to have a Deputy Chairman and three members.

A HUNDRED YEARS AGO JULY 14, 1917

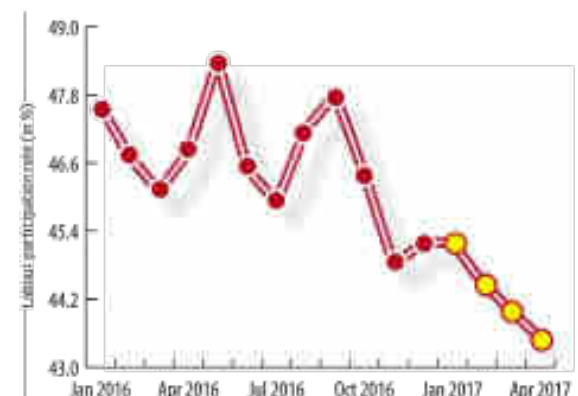
### Lord Pentland's extension.

An extraordinary public meeting for an extraordinary purpose was held here last evening [in Coimbatore on July 13]. Messrs. M. Sambanda Mudaliar, T.A. Ramalinga Chettiar, Rao Bahadur Thiruvengadasami Mudaliar, Rao Bahadur Arokiasami Pillai and Father Rony were the conveners of the meeting which was for conveying the thanks and appreciation of the citizens of the Coimbatore district to the Secretary of State in Council for the extension of Lord Pentland's term. There was a meeting of the District Board yesterday. The conveners thought that by persuading the members thereof to attend the meeting they could make it appear to be representative of all Taluks in the District. The wishes of nobody in Coimbatore or in the Taluks were consulted by the conveners.

## DATA POINT

### The demonetisation effect on jobs

CMIE's household surveys indicate that the number of those employed shrank by 1.5 million, despite a corresponding addition of 9.7 million persons to the eligible workforce in the four months following demonetisation. A look at the monthly average labour participation rate



Source: CMIE's Consumer Pyramids Household Surveys  
Note: The results are based on all-India household surveys over a sample size of 161,167 households that included 519,285 adults. The most recent survey was conducted over the four month period of January to April 2017