



A thought for today

Intolerance is itself a form of violence and an obstacle to the growth of a true democratic spirit

MAHATMA GANDHI

Crack Down Hard

PM's anti-lynching remarks must be followed up

Speaking out against lynchings, Prime Minister Narendra Modi did well to assert that nobody has the right to take the law into his own hands and that indulging in violence in the name of 'gau bhakti' is against the ideals of Mahatma Gandhi. The stern warning is timely as it comes on the heels of a Muslim teenager being brutally murdered on a train in Ballabgarh after he was accused of carrying beef. The evidence suggests that incidents of lynching and assault by cow vigilantes have gone up sharply across the country since NDA took office in 2014.

It highlights the gravity of the situation that even as Modi was making his remarks, a meat trader in Jharkhand's Ramgarh district was lynched by a mob for allegedly transporting 'prohibited meat'. Plus, this isn't the first time that Modi has spoken against cow vigilantes - he had made similar remarks last year after the flogging of Dalit youths in Gujarat's Una. But little has changed on the ground. Cow vigilantes feel emboldened under the BJP dispensation and view the police as lenient towards them.

This perception needs to be broken. First, Modi should speak against cow vigilantism repeatedly - even make it a subject of his Mann ki Baat address - to drive home his point. Second, a zero tolerance policy needs to be adopted towards lynching. Police action like that in Jharkhand's Giridih district - where 15 policemen managed to hold off a mob of thousands to rescue a dairy farmer who was attacked because the carcass of a cow was found outside his house - should be publicly extolled. Lastly, draconian anti-cow slaughter laws brought in since 2014 need to be revised. They have become like Pakistan's blasphemy laws which trigger violence by their extreme nature. Otherwise, BJP's development agenda risks being hijacked by the radical fringe.



Nagin Dancing Groom

He sets the bride swaying - away

Daar and desi weddings have a rummy relationship. It often begins with a heated discussion about whether to have an alcoholic wedding or non-alcoholic. Then, even when the sobersides score the official victory, they can be sabotaged by unofficial car-o-bar action. When all goes well everyone is nicely buzzed, dancing and laughing a lot, but there is always the risk that someone will get embarrassingly drunk. If that someone happens to be the groom, woe betide the wretch.

Brides' patience runs low these days. There are cases of grooms being rejected upon the discovery that there is no toilet in their house. One blundering fellow was dumped at the altar by his bride-to-be after he said 17 when she asked him to solve 15 + 6. A bride from Begusarai reportedly rejected her groom when his wedding procession arrived at her doorstep sans a DJ. On the other hand, in Shahjahanpur a groom has gotten into trouble for paying a little too much attention to the DJ, doing a cringe-worthy nagin dance that had the bride concluding he was a drunkard, better ditched than hitched.

It's true that the nagin dance has come a long way from its Reena Roy and Sridevi avatars, having now become something of a male bonding ritual. But dear groom, as enjoyable as that hooded cobra pose is, that slithering on the floor or those hissing sounds, maybe you had better get it out of your system at the bachelor party itself.



Modi In Washington

There were warm words and hugs, which could dissipate at any moment

Nayan Chanda

As Prime Minister Narendra Modi's limousine pulled away from the White House, officials in both New Delhi and Washington could breathe a sigh of relief. The much-anticipated meeting between the leaders of the world's largest and oldest democracies and Twitter champions ended with warm words and hugs. There was no early morning presidential tweet requiring spin doctors to perform damage control. Nor did the rather terse joint communique, in keeping with low expectations from the visit, set foreign chanceries atwitter. Chinese media stopped at issuing its standard mild warning about the danger of entangling alliances with Washington. In the world of Trumpian diplomacy, the Modi visit has to be considered a success, even if it was achieved by avoiding hard issues.

Modi, praised by Trump for having done "a great job economically", could take home drones to track Chinese submarines in the Indian Ocean, military transport planes and attack helicopters, and strong words of support for India's battle against Pakistan-based terrorists. Trump, who has dropped the White House's traditional annual Ifar dinner, was enthusiastic about joining hands with India in defeating "radical Islamic terrorism".

In keeping with his transactional approach to foreign policy, Trump never mentioned strategic relationships but thanked India for buying US defence equipment. The President waxed eloquent about SpiceJet's order of 40 Boeing airplanes "which will support thousands and thousands of American jobs". Vice-President Pence thanked Infosys for its plan to create 10,000 jobs in his home state of Indiana. India has also committed to buy US natural gas and nuclear power plants. In keeping with the developing custom of gift bearing and flattering the Trump family, India extended an invitation to First Daughter Ivanka to lead the American delegation to the Global Entrepreneurship Summit in Hyderabad this autumn.

Modi fortuitously landed in Washington just as the China fever created by the April visit of Xi Jinping ("a great guy", as Trump called him) had cooled. Although official statements cautiously avoided mentioning China, the joint statements left no doubt that both countries worry about China's expanding claims and control in South China Sea. A few days earlier Trump had tweeted his disappointment about China's failure to restrain North Korea. At US insistence, India wrote a strong paragraph condemning North Korea to be on the same page with the Americans.

Trump, of course, was blunt in reminding Modi to remove barriers to the "export of US goods to your markets and that we reduce our trade deficit with your country". But China, which was earlier accused by Trump of "raping" the US with its dumping, is not off the hook. US administration sources have indicated that China could be punished for building up a surplus of steel and other commodities and dumping them on the world. In another move, Secretary of State Rex Tillerson, who had earlier avoided personally releasing the State Department's annual human rights report, took the stage to release the human trafficking report in which China was singled out for employing thousands of North Korean workers and transferring funds directly to Pyongyang in violation of the embargo. The US has since imposed sanctions on Chinese institutions dealing with North Korea.

India, however, has no reason to feel schadenfreude over Chinese discomfort. Trump has criticised India, without any factual basis, for milking countries of billions of dollars of aid in the name of fighting climate change. Trump's decision to pull out of the Paris Climate change accord - widely criticised by the world, including India - was the elephant in the room, as was the contentious US plan to curb H-1B visas for Indian tech workers. By avoiding tough issues and stressing common interest in fighting terrorism Modi fared better than other visitors. But given Trump's capricious nature, the momentary warmth of his hug with Modi could dissipate at any moment with the next Twitter tantrum.

New Dawn At Midnight

GST is certainly an economic landmark, but it's also a work in progress

Ashok Malik



While not as momentous as midnight in August 1947, the advent of the Goods and Services Tax regime is certainly a landmark in the economic history of India. The GST that has arrived today is less-than-perfect but has been the outcome of a herculean political exercise, of fervent negotiation, of a compromise reached between the Union government and 29 states and seven Union territories - together making up 37 different tax administrations - and is the result of an idea and an endeavour that began with this century.

True, there will be initial hiccups and genuine confusion. Yet, fairly soon, the positive impact of GST should be available. Many of India's strategic objectives, including the creation of a more robust manufacturing economy, cannot be realised without an effective GST-type regime and a transparent and digitally verifiable tax continuum.

Pre-GST, it was possible for importers, traders and retailers, at various points in the transaction chain, to buy goods abroad (in Bangkok or Guangdong for instance), declare fewer quantities than imported and sell without receipts. There was tax avoidance at several stages. In contrast the Indian manufacturer for the same product category was penalised because its production was recorded accurately at the factory, and there could be no "hidden production" that was sold under the table.

Not all of this will go away with GST. The human mind is ingenious and will find methods to challenge the best tax regime and the most vigilant tax officer. Yet, the disincentive for tax avoidance will heighten. With every transaction down the line claiming tax credits on the basis of previous transactions, playing games with legitimate tax dues will be that much more difficult. In the end, GST is a strategic necessity. To take a random example, if domestically manufactured mobile phones are to compete with a flood of Chinese imports, then they



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will find it easier to do so under a GST umbrella.

As such, if the Narendra Modi government and if Prime Minister Modi and finance minister Arun Jaitley are taking credit for the political achievement of GST, and for attaining that grand bargain that led to, first, the constitutional amendment that permitted a GST - and the right of state governments to tax services - and second, the agreement on specific rates, they are entitled to do so.

The opposition, specifically Congress and Trinamool Congress, contributed to that grand bargain. They are being churlish in rejecting this accomplishment. Not participating in the GST inaugural function is, really, a needless protest.

To be sure, this is not an optimal GST. There are five rates, which in time should be consolidated to perhaps three - the dream of a single rate being somewhat impractical in the Indian context. More so, differential rates under the same product category - cinema tickets below and above Rs 100 - are ideally

Pre-GST, it was possible for traders to buy goods abroad, declare fewer quantities and sell without receipts. In contrast the Indian manufacturer for the same product category was penalised

avoidable. This too will hopefully be sorted out in the medium term.

The fine-tuning of the GST regime - now that the constitutional amendment has been done and GST has been introduced - is going to be a continuous process, as India adjusts to a new system, as the economy grows and as needs change. Nevertheless, for a start, the move from source-based taxation - tax where the goods are manufactured or service provided - to destination-based taxation - tax where the end-consumer sits - is for the better.

'Manmohan Singh's 1991 budget was biggest reform country has seen. GST deals with just one indirect tax'

Goods and Services Tax (GST), India's biggest tax reform since Independence, was ushered in today with a special midnight session of Parliament. Yashwant Sinha, former Union finance minister, senior BJP leader and co-editor of 'The Future of the Indian Economy' spoke to Nalin Mehta and Sanjiv Shankaran about GST's challenges, its impact on the federal structure and next steps for reforms:

■ You have written about the difficulty of economic reforms in India because of a lack of political acceptability. How difficult was it to pass GST?

The very fact that GST has taken so many years in coming and at the end of it we have a flawed GST - it's not the original GST we had imagined - demonstrates how difficult it is to carry out economic reforms in India.

I have always held the view there is a great deal of political opposition to economic reforms in India. If you go through the parliamentary standing committee report on GST, it clearly brings out the problem. During my years as finance minister, I was trying to push state value added tax (VAT) and the precursor to GST Council was created then, which worked on GST.

Starting in 1991, the government was able to carry out reforms in sectors directly under its control, like banking, industrial policies, central taxes, capital markets, etc. Reforms which are entirely in Centre's jurisdiction and ones which do not require legislation are much easier to do. Where states had to be partners in

reforms, the process became that much more difficult and things did not move that smoothly. Therefore, most important reforms have taken years to fructify. The evolution of GST is a clear demonstration of the difficulties.

■ Don't these challenges make the realisation of GST unique?

Which were the states which opposed GST? Madhya Pradesh and Gujarat, ruled by BJP. Gujarat's finance minister came before the parliamentary standing committee and made such a convincing presentation that committee's members started saying there is no need for GST. I had to then request Vijay Kelkar (chairman, 13th Finance Commission) to appear

before the committee again to convince the members that GST was desirable. It is very unusual to appear twice before the committee members. It has not been easy to evolve a consensus.

■ Why do you think this is a flawed GST?

As finance minister I had brought down multiple central excise rates to just three based on a philosophy: one excise or GST rate is the ideal. Even when you make compromises, what should determine slabs? A mean rate, a merit rate and demerit rate. You need only three rates and not more. In central excise, multiple rates used to lead to enormous amount of litigation. It was not easy to collapse multiple rates into three rates. It was achieved with a great deal of struggle. Now, all the problems have been brought back with multiplicity of rates. We had a single rate in service tax but now it is broken into multiple rates.

That's why it is flawed. The return of multiple rates is a step backward and will lead to implementation problems.

The second reason why it's flawed is that an element of discretion has crept in. For example, why keep gold at 3% and notebooks at 12%? The most important step towards simplification is to do away with discretion. The philosophy of taxation must be firmly grounded in equity and simplicity,

not in discretion. The third reason is that a large chunk of the revenue stream relating to petroleum, alcohol, electricity, etc is still out of the GST ambit.

■ How will the advent of a statutory GST Council impact federalism?

It is not so much the political complexion of a state government but its own estimate of gain and loss which determines its approach to a reform measure like GST. GST Council is a shining example of cooperative federalism, it's a step forward. How will it work? It will depend on interaction of personalities. In future, GST Council will be a play of personalities and play of gain-and-loss estimates by states and government of India.

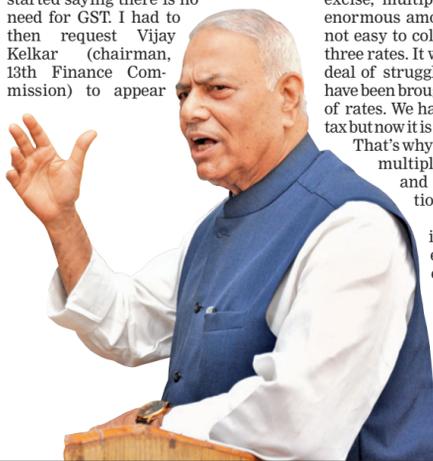
■ Where would you rank GST in terms of economic reforms since Independence?

I would rank Manmohan Singh's 1991 budget as the biggest reform this country has seen. GST deals with just one indirect tax. As far as comprehensiveness of reforms is concerned, 1991 was the biggest.

■ What should be the next step on reforms?

Any measure which propels the engine of economic growth is economic reform. It is a continuous process. Having said that unless economic reforms are seen to directly impact people they would never be fully acceptable. Economic reforms must be accompanied with visible action on the livelihood and quality of life fronts. We must have high growth rates; there is no dispute about that. Simultaneously, take steps which impact on the quality of life and create employment.

Q&A



dilbert



Debashis Chatterjee

Arjuna was declared a shrestha, a hero, when he hit the eye of a wooden bird hung on a tree in Drona's school. Arjuna's most powerful weapon was not his Gandiva. His power came from ekagrata - the foundation of a meditative mind.

Heroes diligently cultivate a meditative mind. A meditative mind is more than just a concentrated mind. In a concentrated mind our attention is limited by our goals or targets for a certain duration of time. Even an ordinary mind can concentrate on a pleasant object or experience. It is so easy to freeze our glance on a beautiful face or on a sensational image for a considerable period of time. The real challenge is to be able to pull out attention from what is pleasurable or

preya to the preferable, that is shreya. Arjuna can pull his mind easily out of the beautiful forest and a flowing river to the preferable work at hand, which is seeing only the eye of the bird.

The first stage of creating a meditative mind is to form the mind. A goal helps by giving it direction. Goals create boundaries for our attention. This is called dharana or holding the mind to a form. Before the mind achieves a state of dharana, the hero has to gradually withdraw the mind from other competing forms. This process called pratyahara involves withdrawing the senses from external distraction. Arjuna achieves this with consummate ease. How did he do that? Arjuna selected from vast streams of information only those bits and pieces that make up the eye

of the bird. Thus he is able to hold and fix his attention on the target.

In the second stage Arjuna has to maintain an unbroken focus on the bird's eye for some period of time. The process of bringing the target to one's

unbroken focus is called dhyana. Whereas dharana was about fixing attention on an object, dhyana is about sustaining this attention. The difference between the two is the difference between pouring oil drop by drop from a bottle to a pan and pouring oil in a stream of unbroken arc from a bottle to pan. Like the stream of oil, attention moves from the mind to the target.

At this stage Arjuna uses his intellect to overcome the mind's distractions and keep his physical and mental actions going in the set direction. Arjuna has

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Tax Prayer

... The more you pay, the more they need. The more you earn, the less you keep. And now I lay me down to sleep. I pray the Lord my soul to take. If the tax-collector hasn't got it before I wake.

Ogden Nash

Form, Focus & Flow: Arjuna's Invincibility



the speaking tree

learned the technique of moving from concentration to consistency. He sustains his attention on just the eye of the bird, away from everything else. This consistency of attention like the smooth flow of oil takes Arjuna to the state of dhyana.

In the final stage Arjuna's mind is completely occupied by his action, like a painter who is lost in his painting. The mental vibrations of the archer Arjuna achieve unity with the physical vibration of the target. This state of unity exists at the edge of the human mind. At this stage the boundary between mind and target is removed. The mind, target and flow of mind toward the target become one seamless awareness. This is the third stage of attention called samadhi. In samadhi, Arjuna enters the zone of invincibility. (The writer is former director, IIM Kozhikode.)

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