



A thought for today

Leadership is not a popularity contest; it's about leaving your ego at the door

ROBIN S SHARMA

Gujarat Cliffhanger

Ahmed Patel wins prestige battle but Congress must revamp immediately to stay afloat

Gujarat Rajya Sabha elections witnessed a high-voltage contest that went down to the wire. Counting of votes was held up multiple times due to technical issues. While BJP president Amit Shah and Union textile minister Smriti Irani sailed through, Congress's top strategist Ahmed Patel benefited from the final counting of votes and just about managed to scrape into Rajya Sabha. In the process, Congress displayed it is capable of putting up a fight against the might of BJP, particularly since some of its own legislators had jumped camp earlier.

After Patel won the battle of nerves, Congress leaders are describing it as a historic win which will change fortunes of the party. This, however, is premature given the flight of its legislators and partymen in Gujarat, including the formidable Shankersinh Vaghela. Congress leader



Jairam Ramesh pointed out recently that the party is facing an existential crisis that's deeper than an electoral crisis, and that party leaders are behaving like sultans despite having lost their sultanate.

Congress needs to reboot immediately if it wants to remain relevant in today's politics. The leadership space needs to open beyond a select coterie of individuals like Patel or Rahul Gandhi. BJP changed two chief ministers and as many state presidents in Gujarat in the past three years, while Congress restricted its top leadership positions to very few over the past 15 years.

On BJP's part, Gujarat chief minister Vijay Rupani has indicated the party is exploring legal options to challenge EC's decision to invalidate two votes. This is entirely unnecessary and sets an unhealthy precedent. After all, the same BJP was happy to abide by EC's decision to invalidate 14 Congress votes on similar technical grounds in Haryana last year, which resulted in a BJP-backed candidate winning the Rajya Sabha election. BJP on its part should respect the Gujarat verdict, and take solace in the fact that it managed to reduce its principal opposition party from 57 to just 43 MLAs just a few months before the assembly elections. If the electoral watchdog is challenged at every turn, it is equivalent to challenging the umpire at a cricket match for every decision he takes, paving the way for anarchy. The battle was hard fought. But an end must be declared now.

Korean Flashpoint

Avoid dangerous escalation of rhetoric, manage Pyongyang through talks and containment

With the war of words sharpening between North Korea and the US - Pyongyang has threatened to launch pre-emptive strikes against the American territory of Guam, while President Donald Trump has vowed to rain fire and fury if the North doesn't stop threatening his country - tensions in East Asia have risen several notches. This comes in the wake of the UN Security Council imposing new sanctions on North Korea that could slash its \$3 billion annual export revenue by a third. North Korea and the US are caught in a classic security dilemma, where each side sees the other as a threat and mutually feeds anxieties.

It's a mistake to see the North Korean side as totally irrational: given its one-party Stalinist system with a supreme leader, and having very few resources, it's easy to see why such a regime would fear being overrun by superior South Korean and American forces. North's Kim Jong-un has seen what happened to other dictators like Iraq's Saddam Hussein and Libya's Muammar Gaddafi.

Therefore it's extremely unlikely that Pyongyang will abandon its nuclear programme, which it sees as its only guarantor of security.

However, this doesn't mean its nuclear and missile programmes can't be capped through sanctions and incentives. After all Islamabad behaves much worse than Pyongyang does, yet the world responds to it with forbearance and aid: it not only engages in nuclear sabre rattling (like North Korea), it also exports terror to neighbouring countries (which North Korea doesn't). In North Korea's case, US secretary of state Rex Tillerson has said that dialogue is possible if Pyongyang halts missile launches. China should be persuaded to pressure Kim to take up the offer. Pyongyang must be managed through a mix of talks and containment, without escalating rhetoric that might spiral into war and all-out destruction.

We didn't start the fire

It was always burning since the desh was churning

Bachi Karkaria



Billy Joel's 1989 song is a rapid-fire listing of the headline events of the 40 years since his birth. Here's a cover version celebrating India's 70th, in no particular order of chronology, significance or incendiary quotient.

Midnight tryst, Gandhi killed, Hindi-Chini-Bhai-Bhai-turned-to-Chou-en-Li at the bloodied Nathu-La. We can hear the fire crackling once again at Dhok(a)lam. Kashmir kali nipped in bud by politics and terrorism. Nehru, Geelani, Jaitley, Army, no one ever LeT it alone.

Non-alignment, nuclear implosion, ideological confusion. Fundamental research, fundamentalism. Bangladesh liberated in 1971; who cares about the liberals shackled in 2017.

Planning Commission, Bofors commission, scams by the dozen. Small scale sector, large dams; 'Hindi-medium-types' gain ascension in the 2014 election.

Big-ticket reforms. Big Fat Indian Wedding. Big B who still rules the Khandom of Bollywood. Nargis-Raj Kapoor, Madhubala, Helen, Mumtaz. Can Priyanka Chopra dhak-dhak Madhuri?

Supermarket, superbug, supari killing. Corruption, prohibition, sedition in 140 characters. Gram panchayats, khap panchayats, Love in Simla, love jihad, the moral police beat. Custodial deaths, encounter killing, and iffy policing on every street.

Haji Mastan, Karim Lala, D Company. Aati kya Dubai? Bambai Meri Jaan. Delhi Belly. Uda Punjab - also Harbhajan Singh and a Kaur with balls.

Sensational murder every decade: Prem Ahuja, Vidya Jain, Naina 'tandoor' Sahni, Syed Modi, Neeraj Grover, Jessica, Aarushi, Sheena Bora...

Slogangiri: Garbi Hatao, Blackmoney Wapas Lao (also Mallya-Lalit Modi). Roti Kapda aur Makaan. Will Acche Din end up in the bin of a not-yet-Swachh Bharat? Godmen, milk-drinking Ganeshas, gau rakshaks.

Women: chapati-makers to chappal-phekars, but still no lib from rape. Violence, from AK47 assault to Z security.

Who started the fire? Who'll stop the burning?

Alec Smart said: "From self-rule to selfie. Wow!"

bachi.karkaria@timesgroup.com

http://blogs.timesofindia.indiatimes.com/erratica

Can Asia Change The Climate?

On climate politics there is not one but three Asias, we need many Asian voices

Arunabha Ghosh



Who is a climate leader? The Paris Agreement ensured that climate leadership became diffuse and distributed. But immediately after President Trump's Rose Garden speech on 1 June, commentators jumped to pass the leadership mantle on to China. They might have wanted to convey the message to many other countries that all was not lost. They might have wanted to reassure affected communities and thousands of climate activists that there was a Plan B in China. Or they might have simply wanted to win over the air waves in a toxic media battle for climate hearts and minds.

There are three problems with this approach. First, its underlying premise is flawed. It presumes that the United States (until 31 May) was the world's climate leader. It was indeed central to the problem and is needed for a practical solution. But the US has been, primarily, a "climate squatter".

Secondly, the argument presumes that China was both ready and willing to become the climate leader. China's response, while aggressive in ambition and action, is still very much a mixed story until now. The clean (China as the renewable energy capital of the world) goes hand in hand with a lot of dirty (more than 921000 MW of coal power, a third of which is perhaps overcapacity).

Thirdly, this technocratic passing of the baton from one country to another is deeply flawed. It measures climate leadership in presidential statements and academic charts, not from the perspective of communities impacted and people suffering. By doing so, it raises false expectations and undermines trust even further. It is clear that climate politics will be driven by national interests; and climate action will be affected by economic interests.

Asia - with the most number of poor people and being the most economically dynamic region in the world - will encounter climate change like no other. Asia must persevere for a different kind of climate politics, a reformulated climate



or on which developed countries have dominated the discourse so far. Asian economies need to emphasise that there will be many energy transitions and due space must be yielded for countries to discover and pursue their respective paths. We don't need an Asian voice; we need many Asian voices to describe many energy transitions. Mere tokenism in representation will not do.

Another area with even fewer Asian voices is the governance of climate geoengineering or the deliberate large-scale intervention in Earth's climate system, to limit adverse global warming. Asian countries must help design an international research programme on geoengineering, taking account of research capacities, funding mechanisms, liability rules, and intellectual property. This is a frontier that cannot be left ungoverned.

Lastly, Asia must look inwards, to promote greater transparency on climate change within the region and within countries. Asia's leading economies should open the space for non-party stakeholders, who could bridge the challenges of building national capacity, monitoring both emissions and financial flows, evaluating inter-country initiatives, and contributing to overall assessments of the effectiveness of global collective action.

The world has changed, the climate is changing, and we must change too. As the beneficiaries of the dynamism of Asian economic transformation, and the custodians of its future sustainability, we need to recognise the direct and systemic risks climate change poses for our region. We need to celebrate the disproportionately aggressive targets we have set for climate mitigation, but also acknowledge that our efforts will fall short of what is needed. Most of all we need to resist false pretensions of grandeur about climate leadership. It is a collective burden we carry.

Asia is poised for climate leadership. Except it is not the bravado of leadership that must titillate us; rather it is the quiet self-confidence that comes from knowing - and shaping - the future.

Extracted from a speech delivered at IHC, Delhi. The writer is CEO, Council on Energy, Environment and Water

It is not the bravado of leadership that must titillate us; rather it is the quiet self-confidence that comes from knowing - and shaping - the future

Climate economics needs to defeat persisting mercantilism. National security, economic prosperity and climate resilience will have to all go hand-in-hand with resource efficiency. But the economic opportunities presented would need a rethink of the mercantilist policies in some Asian economies, particularly China. Asian economies can tap into these opportunities if they became part of global/regional supply chains for new technologies and products, maximised resources available at home, and created trained workforces suited to these rapidly shifting trends.

Climate ethics requires new voices on issues that have largely escaped attention

Burdening Indian exporters: Current GST provisions ratchet up costs and deter small firms from exporting

Ajay Srivastava



Exporters loved the core promise of GST. They would export more as the product cost comes down through lower taxes and reduction in tax on tax incidences. But specific GST provisions nullify these gains, making exporting high cost and complex. Worse, most small firms would not qualify to export. This will upset manufacturing, employment, exports and other economic parameters. The GST provisions on exports need an urgent review.

Firms have to pay GST at every stage. This is ironic as exports are zero rated under GST, implying no tax burden. An exporter has to pay GST at the time of buying inputs and exporting the finished goods. He can seek a GST refund after the exports. The refund may take place after 3 to 12 months of payment of taxes. This gap makes exports expensive. Firms will have to borrow money not only to buy inputs but also to pay taxes and interest.

Let us say a firm adds 30% value to inputs, it would then need to buy raw material of value Rs 77 for exports worth Rs 100. If the GST rate is 18%, he

would need to borrow Rs 13.80 from the bank to pay the GST.

The capital lock up at the country level would be staggering. If the time between buying of raw material and refund is 6 months, Rs 95,000 crore of exporters' money will remain blocked. For a longer cycle of 12 months, as is the case for many sectors, the money will exceed Rs 200,000 crore. This will remain blocked forever as the firms will use the refund obtained from the

Government can extend the ab initio duty exemption facility like the one accepted for SEZs, to all exporters. Such exemptions are available in many countries

government for paying taxes for the next cycle. We have no information if banks are geared up to lend this much money. Most SMEs will have a tough time getting money even at 12% annual interest.

The working capital lock up will increase export product cost by 1-2%. Exporters from the engineering, electronics,



automobile, chemical and pharmaceuticals sectors have longer processing time. So they will suffer most.

Pre-GST, exporters were free from this burden. They used export schemes to buy duty-free raw material or machinery needed for making an export product. Exporters had expected exemption from GST as exports were zero rated. But, this was not granted. This has disrupted the export promotion architecture used by exporters for the past three decades.

Many other provisions affect exports. Firms supplying goods to international projects located in India face a rough time as GST does not recognise such supplies. Pre-GST such supplies were eligible for deemed export benefits. Merchant firms

that buy goods and export will have to pay tax at the time of buying the export goods. Pre-GST, they paid no taxes.

GST has made an exception for SEZs where the tax exemption continues. But this will have limited impact as only 3-4 firms account for more than half SEZ goods exports.

Several options are available for resolving the working capital issue. The government can extend the ab initio duty exemption facility like the one accepted for SEZs, to all exporters. Such exemptions are available in many countries.

Life for over one lakh active small exporters has become difficult. They cannot export anymore unless they register as regular GST firms. The exemption from GST registration

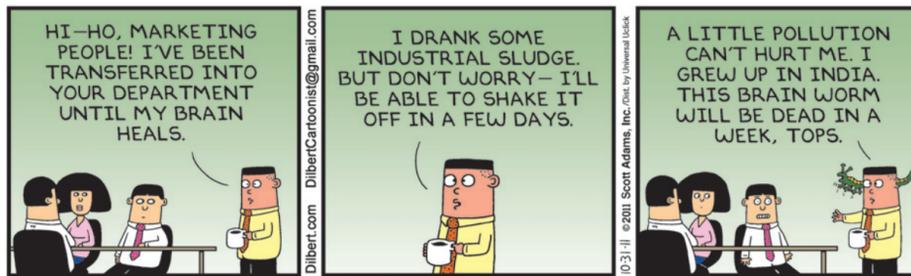
available to small firms is not applicable if they export. Taking registration as a regular dealer means high compliance cost without adequate business. Compliance includes the filing of three monthly and one annual return for each state and each business vertical.

Most small exporters come from the tier II and III cities like Jaipur, Moradabad, Ludhiana, Coimbatore, Surat. Placing onerous conditions on them is disastrous especially when jobs in the formal sector are shrinking. GST on air freight at 18% makes vegetables and other low-value perishable products expensive. A vegetable exporter pays Rs 36 as GST on freight for an export value of Rs 100. Changes in export procedures, documents required or the refund rules are not clear. Exporters worry as delayed shipments would result in cancellation of export orders.

Charging tax on supplies on which no tax is due just to refund it later makes products expensive and blunts competitiveness. Exporters work on lean margins as they compete internationally. Resolving the working capital issue and allowing small firms to export is crucial for India's exports to stay on the growth track.

The writer is from the Indian Trade Service. Views are personal

dilbert



Let Us Rally Together And Nurture Rivers

Sadhguru Jaggi Vasudev

Someone asked me the other day, "What motivates you to engage in tree-planting projects and river rallies?" The implication was clear: gurus should stick to imparting yoga and leave ecology to environmentalists!

But all this is yoga. All I have ever done in the past 35 years is yoga. Being in a state of yoga - union - simply means doing whatever is necessary in a given moment. This initiative to save Indian rivers is no different: it is simply a spiritual movement with an environmental consequence.

Veerashaiva philosophers and poets of southern India often employed the analogy of rivers to describe the spiritual journey. Shiva is seen as the ocean, and individuals as rivers who flow naturally towards the ocean.

Today, most people seem determined to reverse this natural process. We allow

our rivers to turn dry and desiccated. Instead of thinking of revitalising them, we exploit them. We cannot simply blame government apathy or a faulty education in civics for this. When a large percentage of humanity forgets the very nature of its existence, this is the inevitable result.

The one river in the country that did not reach the ocean was the Lavanavati in Rajasthan, which dried up in the desert. But today we have spawned many such rivers that never reach the ocean. The Ganga and Indus are now among the most endangered rivers on the planet. The Kaveri is probably 40% of what it used to be 50 years ago. For the last Kumbha Mela in Ujjain, water had to be pumped in from the Nar-mada to create an artificial river, because there was no water in the Kshipra. Smaller rivulets don't even

reach the main river; they dry up along the way. Rivers like Amaravati are ironically described as "eternal". When it is all rock, of course it can be eternal!

Much can be done if people rally for rivers: ranging from rainwater harvesting to nursery cultivation. The simplest solution is to ensure tree cover on either side of rivers and tributaries. Cultivating forest trees on government land and tree-based horticulture on private land would a significant step that would also benefit our poor farmers enormously. If we addressed this with determination now, we could hope to see our rivers flowing with at least 15-20% more water in the next 15 years.

But the issue is deeper. It is only a tragically fragmented mind that looks at rivers as "an issue for environmenta-

lists". Water is not a commodity. It is life-making material. The human body is 72% water. You are a water body. And on this planet, rivers are the water bodies with which we have the closest relationship. For thousands of years, we have lived on their banks, deeply nourished by them. The time has come for us to nourish them, in turn.

The further we move away from Nature, the further we are moving away from our own nature. The reverse is also true: the further we move away from our own nature, the more insensitive we become to every other life form around us.

Like the great rivers of this subcontinent, will we naturally find our ultimate source, or simply lose ourselves on the way? Only time will tell. And only we can decide. The onus lies squarely on us. Let us make it happen.

Follow Sadhguru Jaggi Vasudev of Isha Foundation at [speakingtree.in](#)



Sacredspace

The Observer

The observer, when he seems to himself to be observing a stone, is really, if physics is to be believed, observing the effects of the stone upon himself.

Bertrand Russell