



## Vigil on vigilantes

The Supreme Court's stern message about checking aggressive gau rakshaks is welcome

It is a telling commentary on our times that it needs the Supreme Court to remind those in power that they cannot remain silent while vigilantes take the law into their own hands in the name of cow protection. Sending out a stern message that the time has come to end the activities of aggressive gau rakshaks, the court has asked the States and Union Territories to appoint nodal police officers in each district to crack down on such mobs. The order came after the counsel for Haryana, Gujarat, Maharashtra and Rajasthan offered to appoint such district nodal officers to check vigilante groups and act promptly whenever offences take place. For over a year now, instances of groups beating up and even killing persons allegedly suspected of transporting cattle or bovine meat have become commonplace. The court had issued notices to the Centre and some States in April on a writ petition that demanded action against such cow protection groups. In the few months since then, more incidents of lynching have taken place. Villagers killed two persons transporting cattle in West Bengal less than two weeks ago. Three persons were killed in the same State in June after they were accused of cattle theft. Three persons were beaten up last month in Bihar. In more than one State, cow 'protectors' have legal recognition as local laws provide immunity to them if they were acting in good faith. The validity of such provisions in laws aimed at banning or regulating slaughter of animals and protecting the cow may be decided in the course of these proceedings.

Curbing cow vigilantism requires an obvious change in the police's approach to these incidents. In most cases, they register cases against the victims for slaughter or theft of cattle. Typically, the administration seems eager to determine if they were engaged in cow slaughter or transportation of bovine meat than in arresting the culprits involved in murder and violence. A related question is whether the Centre ought to take recourse to Article 256, which empowers it to issue directions to the States, to put an end to the activities of vigilantes, instead of shirking its responsibility on the ground that this is essentially a law and order issue to be addressed by the States. The Centre can no more ignore its credibility deficit because of the ruling dispensation's ideological commitment to cow protection. It has to respond meaningfully to the charge that it is soft on vigilantism and is keen on pushing animal slaughter rules aimed at making life difficult for those engaged in the cattle trade for their livelihood. Prime Minister Narendra Modi declared a few months ago that killing people in the name of cow worship is unacceptable. The law and the way it is administered must demonstrate that these are not empty words.

## The next supercycle?

A weakening American dollar stokes a rebound in commodities prices

Global commodities have witnessed a bull run over the last 12 months, reviving hopes of the beginning of the next supercycle in commodity prices. It is too premature to predict massive price inflation, reminiscent of the commodities boom of the 2000s. But the present rally seems driven more by easy money than anything else. The current price rise began with the election of Donald Trump as U.S. President, which led to hopes of increased public investment in infrastructure projects. Signs of a revival of the global economy and curbs on production imposed by the Chinese government to tackle pollution also led speculators to bid up commodities in anticipation of inadequate supply. Aluminium prices hit a record six-year high last month, while commodities such as copper, zinc and nickel recorded multi-year highs recently. Many of these commodities have risen in the range of 30% to 40% over the last year. It is notable that the end of the previous commodities supercycle in 2014, followed by a steep fall in prices in the next two years, coincided with the slowdown in the Chinese economy. Signs of economic recovery, driven substantially by stimulus investment in Chinese infrastructure, have thus had a significantly favourable impact on commodity prices for now. Oil alone has been an outlier to the recent trend, with the U.S. shale industry having destroyed OPEC's strong control over supply. The recent run-up in commodity prices, however, can only be partially explained by structural changes in demand and supply.

A vital clue to the rest of the story lies in how commodity prices have performed *vis-a-vis* the U.S. dollar. The dollar strengthened in the last quarter of 2016 even as commodity prices shot up due to market euphoria after the election of Mr. Trump. This was in direct contrast to the historical relationship between the dollar and commodity prices, which saw a stronger dollar associated with weaker commodity prices. The new relationship between the dollar and commodities continued into the first half of 2017; this time around, however, the dollar weakened by as much as 5% while commodity prices dropped in tandem. The earlier market euphoria around a recovery in commodities demand backed by a stronger economy had died out pretty fast. In fact, the first half of 2017 turned out to be a particularly ugly one for commodities with a sharp drop in prices. Consequently, even after the recent boost in prices, the Bloomberg Commodity Index currently continues to trade lower year-to-date. The last few months, however, have witnessed a recovery in the commodity index, along with the historic relationship between the dollar and commodities being restored. In fact, the U.S. dollar index has now dropped by almost 10% since the beginning of the year. This might suggest that the current rally in commodities may be largely driven by a weakening dollar rather than any substantial change in global economic outlook.

# Social revolution in a JAM

Equality in the digital space is different from empowering Indians in the bricks-and-mortar world



PULAPRE BALAKRISHNAN

In a post on Facebook made on the third anniversary of the Pradhan Mantri Jan Dhan Yojana (PMJDY) last week, the Finance Minister reportedly said: "Just as GST (goods and services tax) created one tax, one market, one India, the PMJDY and the JAM revolution can link all Indians into one common financial, economic, and digital space. No Indian will be outside the mainstream." The suggestion of equality as a criterion of governance that is conveyed by this is to be welcomed. JAM, deriving from Jan Dhan, Aadhaar and Mobile, combines bank accounts for the poor, who barely had the money to deposit in them, direct transfer of benefits into these accounts and the facility of making financial payments through mobile phones. Aadhaar is the pivot here, allowing the government to ensure that benefits reach the poor and enabling them to make payments through ordinary mobile phones. For furthering the latter the government has devised the Bharat Interface for Money (BHIM) app. The Minister spoke of these developments as a "social revolution", perhaps alluding to the feature that the poor are the most direct beneficiaries.

### Beyond bank accounts

There is no doubt that eliminating leakage in the transfer of welfare payments and enabling the poor to have bank accounts are worthy objectives, and when achieved should be considered significant. Indeed, it is damning that a largely nationalised banking sector had

done very little to extend banking services to the poor till recently, and credit goes to this government that it made this a priority. But claims of having achieved inclusion by operationalising the JAM trinity appear somewhat exaggerated. A financial inclusion, in the sense of everyone having a bank account and access to reliable and free electronic payments system, is not the same as economic inclusion. At its most basic level, inclusion from the economic point of view would entail equal access to opportunities for earning a livelihood. This in turn implies employment opportunities. As the demand for labour is a derived demand, in the sense that it exists only when there is demand for goods and services, a significant element in ensuring inclusion is to maintain, directly or indirectly, the level of demand in the economy. Next, even when the demand for labour exists, potential workers must be endowed with the capabilities to take advantage of the opportunity offered. The potential of the JAM trinity for bringing about either of these conditions for economic inclusion is limited. This is so because JAM functions in the digital space while much of our life is lived in the brick and mortar world. In the latter space we have seen very little improvement, not just recently but since economic reforms were launched over 25 years ago.

The economic reforms of 1991 were largely in the nature of liberalisation of the policy regime, meant to make it easier for firms to produce while at the same time exposing them to international competition with a view to increasing efficiency in the economy. What a strategy based exclusively on liberalisation overlooks is that an ecosystem of production is constituted not only by the laws and



GETTY IMAGES/ISTOCK PHOTO

regulations determining the ease of doing business, but also the access that firms have to producer services ranging from water supply to waste management. These producer services require large capital outlay, often deterring private firms. When private entities do provide these producer services they tend to be expensive, deterring their off-take. It is for this reason that globally they are generally provided by governments. In India the case for public provision of producer services, and there is no reason to provide them free of charge, is particularly high as the overwhelming part of employment is in the form of self-employment. These units are scraping the barrel as it is. Even when producer units employ workers they are poorly capitalised, making it almost impossible for them to generate producer services themselves. Thus the public provision of producer services should be an essential part of public policy. Empowerment in the brick and mortar space would require public infrastructure on a gigantic scale compared to what we have now.

### Focus on capabilities

Moving from production to being, JAM cannot even claim equalisation, leave alone empowerment. Amartya Sen effectively settled a longstanding debate on the question of the metric to be used to gauge equality when he proposed that it should be human capability

These are the endowments that allow individuals to undertake functionings they value. We would have achieved a social revolution when we have equipped all individuals with the essential capabilities. This happens when a society has, at a minimum, universal health and education infrastructure accessible to all.

We have in recent weeks witnessed governance failure on a major scale in many parts of the country. In U.P.'s Gorakhpur district children have died due to systemic failure that meant that a district's only hospital is not able to maintain a steady supply of oxygen. Later a heavy downpour in Mumbai led to a complete shutdown, widespread loss of livelihood and some of life. And most recently, in Delhi's suburb of Ghazipur a garbage mountain came crashing down, again causing death and disruption. But we would need to turn to Bengaluru to recognise the limits to information technology in solving problems of living. Lakes that are toxic when they haven't been gobbled up by the real estate mafia, traffic snarls and inadequate sewerage make life less than easy in this IT hub aspiring to play first cousin to Silicon Valley.

Given the extraordinary challenges faced by India in the provision of public infrastructure ranging from health and education to drainage and sewerage, the claim made for JAM is breathtaking in its simplicity. JAM ensures seamless transfer of welfare payments and facilitates the making payments in real time. Once again, these are worthy objectives, but fall well short of the social revolution the honourable minister claims for them. Our social revolution will arrive when all Indians are empowered through an equality of capabilities. This would require committing resources to building

the requisite social and physical infrastructure and investing time to govern its functioning. JAM may have achieved equality in the digital space but is far from having empowered Indians in spheres in which they are severely deprived at present, an empowerment that they clearly value. The government has leveraged IT smartly in operationalising JAM but the possibility of replicating this to transform the ecosystem of production for firms and the ecosystem of living for individuals is limited. The widespread disempowerment faced by the people of this country predated the arrival of Narendra Modi, but his government appears to give false comfort through its claims.

### Slip-sliding economy

In a market economy one of the markers of what the public think of the government's policies is the response of private investors. Private investment in India has declined steadily over the past few years. Overall growth had however been maintained, partly through the demand generating impact of public investment. But now even growth appears to be stalling. The latest GDP figures from the Central Statistics Office show growth in the first quarter of the current financial year to be lower than the average for 2016-17. Data actually point to a steadily slowing economy with growth having been successively lower in the past five quarters. There appears to be a mismatch between the government's own assessment of its policies and the private sector's valuation of their worth. The jubilation over JAM is an instance of this.

Pulapre Balakrishnan is Professor of Economics at Ashoka University, Sonapat and Senior Fellow, IIM Kozhikode. Views are personal

# All that Gauri Lankesh stood for

Her murder is an attempt to kill an idea



YOGENDRA YADAV

What killed Gauri Lankesh? This is not the same question as "who killed Gauri Lankesh?" This is deeper and a more rewarding question. In any case, this is the only question we can meaningfully answer in the public domain.

A murder involves four categories of culpability: those who carry out assassination, those who conspire, those who encourage or benefit from it, and those who are involved in its acquiescence. We must leave the first two for the police to determine. Instead of rushing to conclusions about the assassins and conspirators, let us focus on the larger context that encouraged and acquiesced to, indeed celebrated, her murder.

This is particularly relevant in the case of Gauri. She was not just a person. She represented an idea. It is reasonable to assume that her assassination is an attempt to shut down that idea. It is also meant to convey a signal to everyone else to shut up, or else. Since these signals are in the public domain, we can and must decode these in order to understand the context that led to her assassination.

A word about the 'whodunnit'. So far, we know only a few relevant

facts. Gauri Lankesh was a journalist, a fearless editor of an extraordinary paper called *Gauri Lankesh Patrike*. She had been carrying out a crusade against the Hindutva politics of the Bharatiya Janata Party and its allies through the paper she edited, and organisations like Komu Souharda Vedike. Last year she lost a defamation suit by a BJP leader; her appeal against it was pending. She had received several threats from Sangh Parivar affiliates. As far as we know, there was no personal enmity angle to this murder.

### The killing of ideas

This information is good to draw a reasonable inference: she was killed because of her ideas and her determination to speak her mind. But this information is not adequate to reach a definite conclusion about the identity of the killers and the conspirators. It is only fair that the criminal investigation must not be carried out in TV studios. This is not to say that we must trust the police. Indeed, police investigations in similar cases, whether under the Congress or the BJP regime, have been perfunctory. Still we cannot pre-empt the investigation, even if we scrutinise it later.

While we do not have evidence of who planned her murder, we have lots of evidence concerning those who celebrated and justified her murder. Social media was abuzz with comments that

mocked, abused and blamed a woman who had been killed a few hours ago. Most of them were well-established BJP trolls. Some of them were followed by none other than the Prime Minister. In this context, it was vital for the ruling party to dissociate itself from this campaign. But except Ravi Shankar Prasad, no senior BJP leader spoke unequivocally against such comments. The PM is yet to 'unfollow' any of these trolls.

We also know the eerie pattern that was replicated in three murders prior to hers. The murder of rationalist Narendra Dabholkar in 2013, that of Govind Pansare, another campaigner against superstition, in 2015, and academic M.M. Kalburgi in 2015 followed identical patterns. In each of these cases, unidentified killers shot down intellectual crusaders inimical to the ideology of the Sangh Parivar. These were not murders to avenge any other act of violence. Nor were these attempts to eliminate a political rival. These were aimed at silencing an idea. Let us not forget that these three 'rationalists' were not promoting some idiosyncratic idea: cultivation of 'scientific temper' is very much our constitutional ideal. They were killed by an ideology inimical to our Constitution. Prima facie, Gauri's killing fits into this pattern.

### From a rooted tradition

Her ideas were, of course, not the same as the other three. Everyone,



K. BHAGYA PRAKASH

supporter as well as detractor, has assumed that she was a 'leftist'. There has been some loose talk of her being Naxalite. This is not true. Gauri represented an illustrious intellectual tradition of Karnataka that does not fit into any of these categories. As the editor of *Gauri Lankesh Patrike*, she carried forward the legacy of her father P. Lankesh, the founder of *Lankesh Patrike* and one of the three iconic writers of the 'Navya' school of Kannada literature. Inspired by Ram Manohar Lohia, these writers from Shimoga - P. Lankesh, Pooranachandra Tejaswi and U.R. Ananthamurthy - combined a strident anti-caste stance with the socialist brand of egalitarian politics and culturally rooted secularism. They mentored the next generation of Kannada intellectuals like Devanur Mahadeva, Siddalinalgaiah and D.R. Nagaraj whose writings have inspired 'progressive' activists in Karnataka.

This socialist tradition is 'left' in the sense of being pro-people and egalitarian, but very different from the communist 'left' in terms of its

cultural orientation. This tradition is rooted in Kannada egalitarian thought that goes back to Basavanna. Although on some issues Gauri was closer to the orthodox left than her father, her secularism was a continuity of this tradition. Like her father, she chose to write in Kannada and in a popular idiom. This form of culturally rooted secularism is in line with the secularism of our freedom struggle. The Sangh Parivar fears this most, as this form of secularism cannot be brushed aside as deracinated, westernised intellectualism.

Her very name carried a challenge to what is now being presented as Hindutva. This is the time of the year to welcome the arrival of 'Gauri' - also known as Durga, Parvathi, Bhavani or Shakti - in many regions of the country. 'Lankesh' is, of course, Ravana, the ultimate devotee of Lord Shiva. Her name invokes the tradition of Ravana worship among Shaivites, a practice that upsets the project of homogenous Hindutva.

Gauri lived a life of ideas. It is unsurprising that she was killed by an ideology - one that stands in opposition to our Constitution, denies the values of our freedom struggle, fears our intellectual traditions and is threatened by the multiple strands of Hinduism. She was killed by the ruling ideology of our times.

Yogendra Yadav is President of Swaraj India

## 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.

### A blow to democracy

The brutal murder of journalist and activist Gauri Lankesh seems to be an open challenge to all the rationalists and to those raising their voice against communalism ("Death of an activist", Sept. 7). This murder seems to have been well planned and executed. The Karnataka government should vigorously follow through with the investigation, and identify and expose those responsible for this cowardly act. I suppose we cannot expect any condemnation from the Hindutva groups. If there is fire in Portugal, our Prime Minister tweets his condolence, but why doesn't he say anything about happenings in India?

T. ANAND RAJ, Chennai

It is premature to conclude at this moment that the murder of Gauri Lankesh

was perpetrated either by right-wing forces, or by those offended by her scam exposures, or was a response to the anti-establishment acerbic writings in her journal. But the fact that we still don't know who killed Narendra Dabholkar, M.M. Kalburgi, and Govind Pansare points to a war between fundamentalism and rationalism, with the former showing its virulence.

R. SRIDHARAN, Chennai

Mr. Modi has come under fire for following on Twitter many people who have been spewing venom on Gauri Lankesh. Some have compared her to militants; others have said she deserved this end. To rescue Mr. Modi's image, the Information Technology Minister slammed these online trolls for expressing happiness over the killing. But whether this will stop

the trolls we don't know. Only time will tell. But all this tells us one thing: we may not know who killed Gauri Lankesh but we do know who all are gloating.

BIDYUT KUMAR CHATTERJEE, Faridabad

### Carry your licence

The continued reluctance on the part of vehicle owners to carry their original licence while at the wheel is difficult to understand and is unacceptable ("DigiLocker no substitute for original licence", Sept. 7). The Motor Vehicles Act specifically provides that no person shall drive unless he or she holds an effective licence. Producing the original on demand is the only way of establishing whether a person is authorised to drive or not. Otherwise, a person's original licence could have been confiscated or cancelled for some reason

and he or she could continue to drive with a photocopy without anyone knowing. The move will keep away those driving on the road without licences and help reduce accidents and improve discipline. The argument that the licence may be lost does not hold water. We carry original ids to produce as proof while travelling by train or aircraft. We carry debit and credit cards. So, why the exception with licences?

V. SUBRAMANIAN, Chennai

### Death on the road

The report says that the fault of the driver in road accidents soared in 2016 compared to 2015 ("Fatalities on Indian roads hit an all-time high last year", Sept. 7). But there are multiple factors causing these deaths. The number of faster vehicles has increased, we have wider roads with no adequate

warnings at intersections, fatigued drivers who work for longer hours, total lane indiscipline, traffic lights that are sometimes dysfunctional, and brighter headlights. Two-wheeler riders without helmets are involved in a majority of these accidents. A part of the reason is also that purchasing two-wheelers (with easy EMI options now) has led to their mushrooming. Pedestrians too should be blamed. They dart across the road just anywhere. Barricades must be placed on highways at crucial places in order to monitor the speed of

vehicles. Lorries should not be allowed to ply during certain hours at night, so that drivers get adequate rest. Speed governors must be installed in all categories of vehicles. The records of government transport bus drivers must be periodically verified to check the number of working hours. The licences of drivers who were involved in accidents must be revoked. Indiscipline on roads should be penalised.

V. LAKSHMANAN, Tirupur

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

**CORRECTIONS & CLARIFICATIONS:** --> In "Kohli, Pandey fire India to victory" (Sport, Sept. 7, 2017), it was erroneously mentioned that a second-wicket partnership of 119 runs between Virat Kohli and Manish Pandey rode India to victory. The partnership was for the third wicket.

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LEFT, RIGHT, CENTRE

# Demonetisation: now a proven failure?

If extinguishing black money was the intention of the move, not even 0.01% of that has been achieved



ARUN KUMAR  
is Professor, Institute of Social Sciences



**LEFT** Demonetisation as a means of tackling the black economy was destined to fail. It was carried out on the incorrect premise that black money means cash. It was thought that if cash was squeezed out, the black economy would be eliminated. But cash is only one component of black wealth: about 1% of it. It has now been confirmed that 98.8% of demonetised currency has come back to the Reserve Bank of India. Further, of the ₹16,000 crore that is still out, most of it is accounted for.

In brief, not even 0.01% of black money has been extinguished. Black money is a result of black income generation. This is produced by various means which are not affected by the one-shot squeezing out of cash. Any black cash squeezed out by demonetisation would then quickly get regenerated. So, there is little impact of demonetisation on the black economy, on either wealth or on incomes.

### Changing goalposts

The government is highly embarrassed, and to cover it up, it has

again changed the goalpost. It now argues that it is good that black money has been deposited in the banks because those depositing it can now be caught. But the government had tried to prevent people from depositing demonetised currency by changing rules during the 50-day period. It is now fighting hard in the Supreme Court against giving one more chance to deposit the demonetised notes that may have been left with the old and the infirm.

The government changed the goalpost earlier in November 2016 when it suggested that the real aim of demonetisation was a cashless



society. Now it says that idle money has come into the system, the cash-to-GDP ratio will decline, the tax base will expand, and so on. But none of these required demonetisation and could and should have been implemented independently. Further, anticipating the failure of demonetisation in 2016 itself, the government started saying that demonetisation is only one of the many steps to tackle the black economy.

The government's argument that cash coming back to the banks will enable it to catch the generators of black income, and there will be formalisation of the economy, does

not hold. Much of the cash in the system is held by the tens of millions of businesses as working capital and by the more than 25 crore households that need it for their day-to-day transactions.

### Those who bore the brunt

So, large deposits by businesses do not automatically become black. The Income Tax department has to prove that the sums deposited resulted from generation of black income. But it does not have the resources for dealing with lakhs of tax payers. According to the Finance Minister, big data analytics would track black money holders who have deposited cash in their bank accounts. During the Income De-

claration Scheme in 2016, the same was said. Nothing came of it and demonetisation was announced.

The big failure of demonetisation is that it was carried out without preparation and caused big losses to the unorganised sector. This has not been factored into the recent data on growth rate, so the loss to the economy would be in lakhs of crores of rupees. Farmers, traders and the youth are all agitating.

The black economy needs to be tackled, but demonetisation is not the way. The brunt of this move has been borne by those who never had any black money. The note shortage is slowly waning and the long-term economic and social effects are becoming evident.

Critics overlook the significant gains of demonetisation which have begun to accrue and will gather momentum



DHIRAJ NAYYAR  
is Officer on Special Duty and Head, Economics, Finance and Commerce, NITI Aayog



**RIGHT** For India to achieve prosperity for all, three ingredients are essential: a transparent, effective government, flourishing of competitive free markets, and huge investment in the poor. In 2012, two decades after liberalisation unleashed significant gains, the very foundation of future prosperity was under threat. Corruption had made the government dysfunctional, crony capitalists flourished at the expense of honest entrepreneurs, and rampant tax evasion meant that the state did not have enough money to

invest in uplifting the capabilities of its most vulnerable citizens. It would have needed a major disruption to make a clear break from the *ancien regime*. Demonetisation did just that.

### Short-term costs inevitable

There were always going to be costs in the short run – people would be short of currency, businesses would be disrupted, consumption would fall, and GDP growth would take a hit. Critics are making much ado about the fact that 99% of the demonetised currency made its way into bank accounts rather than bon-

fires. This is hardly surprising, especially after the government announced the Pradhan Mantri Garib Kalyan Yojana where cash could be declared, deposited, and a hefty penalty paid. For any individual, it would make sense to retain some of her wealth rather than destroy it all. And for those determined to deposit their illicit wealth without disclosure, the cash has not become white. It will be scrutinised by the tax authorities and penalties levied.

Consider the gains that may accrue in the coming year once tax authorities have combed through accounts with suspiciously large deposits. According to Finance Minis-



ter Arun Jaitley, between November 8 and December 31, 2016, deposits between ₹2 lakh and ₹80 lakh were made in about 1.09 crore accounts with an average deposit size of ₹5.03 lakh. Further, deposits of more than ₹80 lakh were made in 1.48 lakh accounts with an average deposit size of ₹3.31 crore. These amount to some two-thirds of the value of the demonetised currency. Obviously not all of this amounts to black money, but even if, say, one-third is, it reveals that a significant amount of black money was sloshing around pre-November 8. That is now in the tax net. Moreover, the holders of these suspicious ac-

counts will now be in the tax net for perpetuity, so the gain is not just one-off.

### Move to a cashless economy

The other significant gain which has begun to accrue, and will gather momentum, is the move to a cashless economy. In the long run, a move away from the use of cash is the surest way of curbing the black economy. In 2015-16, the value of transactions for debit and credit cards was ₹1.6 lakh crore and ₹2.4 lakh crore, respectively; in 2016-17, it was ₹3.3 lakh crore for each. Also, in 2016, the National Electronic Funds Transfer handled 160 crore transactions valued at ₹120 lakh crore, up from around 130 crore transactions worth ₹83 lakh crore

in the previous year. Note that the demonetisation impact would only have been registered in the final four to five of 2016-17. The gains in 2017-18 will be even more.

Prime Minister Narendra Modi's government has launched a multi-pronged attack on corruption and black money. Government discretion has been reduced particularly in the allocation of natural resources. There is a concerted attempt to improve ease of doing business, and technology is being used to deliver public services without leakages. It is far too early to write-off any of these efforts, and demonetisation. There is a future beyond the present.

The views expressed are personal

All of us have vilified the RBI and the banking system, but questions need to be asked of the IT authorities



PRONAB SEN  
is former Chairman of the National Statistical Commission and country director, India Central Programme of the International Growth Centre



**CENTRE** Any policy has to be judged in terms of its original intention. It may later have all kinds of side-effects, positive and negative, but nevertheless the touchstone is its original intent. The original intent of demonetisation was to address the issue of black money, or what the Prime Minister called *kala dhan*. There is enough work that suggests that people with black money hold a very small proportion of it in cash. Most of it is usually invested in gold, or real estate, or in the stock market, or abroad, and the share of

black cash is 6% of the total black economy. So, the policy was at variance with the intent *ab initio*.

### Original intent

The entire discourse regarding ₹3.44 lakh crore being extinguished and then coming back to the government in the form of special dividend by the RBI is something that the bureaucracy took up later. To the best of my memory, this was not what Mr. Modi himself said. Even if we go by the expectations of ₹3.5-4 lakh crore coming back, that has not happened.

Mr. Modi did talk about demon-

etisation as a way of addressing the large number of fake currency notes circulating in the economy. That time the estimate was ₹400 crore. Even here the intent was based on a false premise. As it turned out, it was closer to ₹40 crore. However, this premise was based on statistical studies of fake currency, so one cannot fault the Prime Minister.

Nonetheless, these two, and their linkage to terrorism, were the main components of the reason for demonetisation, and the outcomes for both of them in terms of the way they were articulated are abysmal.

Then the goalposts started shifting when it became apparent that



the main reason was not justified by what was happening. First it was cashless, then less cash economy, then formalisation of the economy. The final step was in saying this would give IT authorities the information to go after people who had deposited black money.

As far as all these secondary objectives are concerned, one would have to take stock of them only as things pan out since these are part of longer-term phenomena. Let's first take the issue of a cashless economy or less cash economy. There are two ways this can happen. The first is a shift in payment patterns. There was certainly evidence that

the number of electronic transactions went up. But after the money supply started coming back to some semblance of normal, those dropped. Whether Indians have changed the way they make payments is questionable.

Then there is the issue of identifying the holders of black money. When people put money into the bank, something that is anonymous gets tagged with their name. However, not all of that money deposited is black. Perfectly white cash holdings were common. To be able to distinguish the black from the non-black would be the responsibility of the IT authorities. They have to analyse the deposits and correlate them with the tax payment records, which is relatively easy to do. What

is difficult is to establish whether the person depositing the cash was liable to pay tax in the first place.

### Asking questions

What I find objectionable and worrying is that all of us have vilified the RBI and the banking system, neither of which had any prior warning about what was going to happen. The RBI tried its best, but its reputation has taken a serious beating.

On the other hand, what has the IT department done in the last eight months? Questions need to be posed to the IT authorities whether the whole demonetisation episode is not to be an unmitigated disaster.

As told to Anuradha Raman

## SINGLE FILE

### Speaking in one voice

History holds hard lessons on repression and the commission of atrocities

SAMIR NAZARETH



My father is a member of a retired Service Officers WhatsApp group on which there was an interesting message some days back. It was about the leeway given by the Hindus to other religions. It suggested that this had been sucking the lifeblood of the country and it was time for Hindus to regain their pride.

Today such kind of messaging is not shocking; we live in an environment of religious resurgence and saffron-hued nationalism. But what cut to my core was that it was being shared among people who have served and sacrificed for their tricolour. Maybe it was done to update the retired folk on the viciousness that is spreading through their country.

The truth is that there is a new demeanour within this country. Its birth was in the proselytising of a 'eugenised' history of this land and it is built on browbeating and instilling fear among fellow citizens who may not be Hindus or who may not know to the philosophy that goes along with this evangelism. This gets strengthened by the governments' ability to change and make laws that invariably target one community or line of thought.

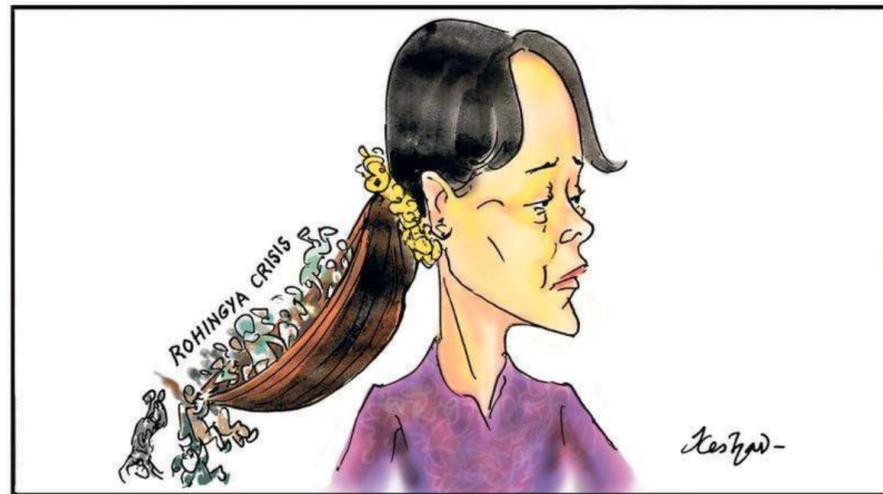
### Regaining 'lost ground'

The 'I have had enough' stance that is writ large on many Indians has to do with the belief that the rule of non-Hindu rulers diminished this land. They contend this debasement continues in the present through the so-called privileges given to the minorities, and by those protecting India's secular ethos.

Many no longer wish to be seen as accommodating nor do they want India to be seen as being amenable. To them this is a sign of weakness and was the cause of this land's 'downfall'. They are now hell bent on regaining 'lost ground'.

So, the question is whether India is getting a new voice and a matching face. Look at what is happening within the government, judiciary, and law-enforcing bodies. Even as BJP politicians demand the death penalty for those who eke out a living from the slaughter of cows, a BJP-ruled State has passed a law that provides for life imprisonment for the same. The Centre has sought to ban the sale of bovines for slaughter at cattle markets and High Court judges have said the cow should be declared as the national animal. Sections of Indian society and the government and its various arms are all shrilly chanting one mantra. History has borne witness to results of such choirs. It has led to repression and atrocities of the most dastardly kind. We learn from the past that through repression and the commission of atrocities, the face for this new voice achieves its glow.

Samir Nazareth is the author of '1400 Bananas, 76 Towns & 1 Million People'



## CONCEPTUAL

### Rare earth hypothesis

ASTRONOMY

This refers to the scientific claim that the earth is endowed with a rare combination of favourable conditions which make it a suitable place to sustain a wide variety of complex living organisms. It is often used to argue that extraterrestrial life is unlikely as it is highly improbable that planets similar to the earth exist elsewhere in the universe. The term was adopted from the 2000 book, *Rare Earth: Why Complex Life Is Uncommon in the Universe*, by Peter Ward and Donald Brownlee. Critics have argued that conditions prevalent on the earth are not extraordinary and exist in other places in the universe, which makes extraterrestrial life probable.

## MORE ON THE WEB

The Hindu Explains: DACA and Dream Act

<http://bit.ly/2xc1f9D>

## ACT ONE

### For a robust data protection regime

A new Bill seeks to protect online users' personal data

KRISHNADAS RAJAGOPAL

On July 31, the government set up a five-member committee chaired by former Supreme Court judge, Justice (retd.) B.N. Srikrishna, to draw up a draft Data Protection Bill. The Bill, if made law, will be India's first exclusive statute providing protection to online users' personal data from breach by state and non-state players.

The office memorandum of the Srikrishna Committee notes that the "government is cognisant of the growing importance of data protection in India. The need to ensure growth of the digital economy while keeping personal data of citizens secure and protected is of utmost importance."

The recent privacy judgment highlights the committee's role in evolving a "robust data protection regime". The court recognised the government's efforts to initiate the process of reviewing the entire

area of data protection. It observes that "it would be appropriate to leave the matter for expert determination..."

The government has undertaken in the court that the Ministry of Electronics and Information Technology would work with the panel and hand over all necessary information to it within the next eight weeks, after which the latter will start its deliberations. The committee is expected to submit its report soon.

One of the primary guiding factors for the committee would be the exhaustive report submitted in October 2012 by a group of experts on privacy led by former Delhi High Court Chief Justice A.P. Shah, which was constituted by the erstwhile Planning Commission. Both the government and the court have agreed that this would be the "conceptual foundation for legislation protecting privacy" in the form of the new Data Protection Bill.

The new Bill would be based on five salient features: technological neutrality and interoperability with international standards; multi-dimensional privacy; horizontal applicability to state and non-state entities; conformity with privacy principles; and a co-regulatory enforcement regime.

The Justice Shah group had emphasised on taking the informed and individual consent of users before the collection of their personal data. It had proposed giving users prior notice of information practices, providing them with choices, and collection of only limited data necessary for the purpose for which it is collected. If there is a change of purpose, it must be notified to the individual.

Most importantly, the report proposed access for users to their personal information held by a data controller. Users should be able to seek correction, amendments, or deletion of inaccurate information.

## FROM The Hindu. ARCHIVES

FIFTY YEARS AGO FROM THE ISSUE OF SEPT. 9, AS THERE WAS NO ISSUE ON SEPT. 8, 1967

### Desai envisages surplus production

The Deputy Prime Minister, Mr. Morarji Desai, was praised for his "balanced views" and "confidence in the future" when he addressed a meeting of the Confederation of British Industries at the organisation's headquarters in London yesterday [September 7]. Speaking on behalf of the C.B.I., its Vice-President, Sir Peter Funge, added British industry had every sympathy with India in its problems and wished it all success in solving them. Mr. Desai for his part assured his audience, in reply to a question, that India had no reservations in welcoming foreign private investment - other than that it should be of long-term advantage to both sides.

A HUNDRED YEARS AGO SEPTEMBER 8, 1917

### Corporation of Madras.

An adjourned special meeting of the Corporation of Madras was held last evening [September 7] in Ripon Buildings with Rao Bahadur T. Vijjaraghavachari (Acting President) in the chair, when 15 Commissioners were present.

Before the Corporation proceeded to discuss the Administration report of the President for 1916-17, Mr. A.C. Parthasarathi Naidu moved for an adjournment of the discussion on the ground that the Commissioners in the course of the discussion might make some remarks which might need a reply from the President who prepared the report.

## DATA POINT

### Kicking up a storm

Hurricane Irma, which is moving towards Florida in the U.S., is the most powerful storm recorded in the Atlantic Ocean. With a sustained windspeed of more than 180 mph, it has been declared a category 5 storm\*. A look at significant hurricanes that have hit the U.S.

