

BusinessLine

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Beyond symbolism

Behind the Modi-Obama bonhomie lies a more nuanced understanding of mutual imperatives

State visits are often more about symbolism than substance. Although such visits do involve the public signing of agreements by leaders, the complex issues of trade and geopolitics are usually resolved through a sustained process of negotiations by officials and diplomats, with the actual inking of deals providing no more than a symbolic finish to months and often years of hard work behind the scenes. But there are times when personal meetings between leaders can provide critical breakthroughs. What officials cannot achieve, given the constraints, leaders can — by exercise of their executive authority, and their ability to sell the results to domestic constituencies. US President Barack Obama's second India visit, and his first with Prime Minister Narendra Modi in power, has provided a clear example of this. It has not only underscored the strengthening bonds of friendship and cooperation between the world's two largest democracies, but also demonstrated a significant change in the quality of engagement between the two nations, brought about largely by the ability — and willingness — to step outside the choreographed routine of state visits and summit meetings.

It would be a mistake, therefore, to measure the outcome of this visit by the conventional yardstick of deals signed alone, although the agreements reached are not insignificant in themselves. India and the US have agreed to renew a defence pact, jointly produce new defence technologies and equipment, and set up hotlines between the Indian Prime Minister and the US President. The US has also promised to back India's permanent membership to the UN Security Council and elite global clubs such as the Nuclear Suppliers Group, the Missile Technology Control Regime, the Wassenaar Arrangement, and the Australia Group. While these measures will certainly help deepen cooperation between the two countries, the most important achievement of the visit was the "breakthrough" on the India-US civil nuclear deal, with the two leaders agreeing to workarounds on the contentious issues of supplier liability in case of accidents, and US demands for the right to track material or equipment used or associated with US-supplied nuclear equipment.

The success of this deal will be measured by whether US investments flow into nuclear energy development in India. And while the broad agreement breaks the logjam, it does not guarantee commercialisation in the form of US companies selling reactors to India. But the visit's big takeaway is the willingness on both sides to recognise that they can have different interests and pursue common goals at the same time. By not letting either US ties with Pakistan or India's closeness to Russia become stumbling blocks, and by recognising they have a mutual interest in seeing that there is a balance of power in the Asia-Pacific, Modi and Obama, or really the US and India, have focused on what they share rather than what divides them. This is certainly worth parading to the rest of the world.

FROM THE VIEWROOM

Our silence on inequality

It is intellectually specious and morally repugnant

At Davos, the world's most influential people made politically correct noises on rising inequality. They were embarrassed by recent studies on wealth and income disparities, beginning with Credit Suisse in October and followed by World Bank and Oxfam. India, China and the US have seen a spike in wealth inequality.

India's response, from the political establishment to the media, has ranged from stony silence to shrill, over-defensive outbursts. The Prime Minister's speeches skirt the subject, while the Opposition has done no better. The Aam Aadmi Party, with its sprinkling of socialist ideologues, has had nothing to say. Of the comatose Left, the less said the better.

The Congress, having presided over the rise in post-reform inequality, has no leg to stand on. If the views of media pundits were to be compressed into a few words it would be: focus on poverty by pursuing growth; tackling inequality will not help the poor. Mainstream economists argue that India and China, by pursuing growth (alone), have pulled large numbers out of poverty. But can in-your-face inequality be explained away so glibly?

Spin doctors fall back on the 'Kuznets curve' which argues that inequality increases sharply in the initial stages of development but eases out later. French economist Thomas Piketty overturns this thesis, showing that inequality in the West fell gradually between 1910 and 1970 but increased thereafter. The rise coincides with the financialisation of economies. India's rising inequality stems from crony capitalism and financialisation. Forget about the Kuznets curve here if it didn't work elsewhere.

Theories apart, inequality ought to be morally repugnant. German writer Gunter Grass was appalled by how we Indians were unmoved by misery and squalor. That was in 1987-88 when India was a poorer, but less unequal place. The smugness quotient is on the rise.

A Srinivas Deputy Editor

A better law for the jungle?

The Subramanian panel report on environment regulation should not be accepted in a hurry

SHIBANI GHOSH
INDIA IN TRANSITION

Environmental governance in India is becoming increasingly contentious. Environmental quality is declining sharply on indicators such as air, water and forest cover. At the same time, there are calls for regulatory flexibility to enable pursuit of a "development agenda".

One of the underlying reasons for the failure of environmental regulation has been the adhocism of the State; the persistent search for quick fixes to complicated problems and difficult trade-offs.

It is in this context that the initiative of the NDA government in August 2014 to set up a high-level committee to revisit environmental regulation in India, assumes significance.

The committee, chaired by former cabinet secretary TSR Subramanian, was asked to "review various Acts administered by the Ministry of Environment, Forests & Climate Change" and suggest amendments "to bring them in line with their objectives".

The six laws under review were: the Indian Forest Act 1927, the Wild Life (Protection) Act 1972, the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act 1981, the Forest Conservation Act 1980, and the Environment (Protection) Act 1986. The review was expected to be completed within two months (extended to three). The committee submitted its report on November 18, 2014.

Key concerns

Many commentators have raised concerns about the setting up of the committee and the selection of its members, its terms of reference and manner of functioning (including the public consultation process), and finally, the substantive recommendations.

ess), and finally, the substantive recommendations.

The final report accurately identifies some of the major concerns in Indian environmental governance, such as the declining quality of the environment; piecemeal legislation and ad hoc decision-making; "rent-seeking propensity" of the government; lack of faith in the executive and, consequently, the dominant role played by the judiciary; and the complete failure of monitoring and enforcement mechanisms under the various environmental laws.

The committee has recommended demarcation of certain forests (with canopy density of more than 70 per cent) as no-go areas; an increase in the amount payable for compensatory afforestation and as net present value during diversion of forest land; and an environment information system with enhanced capacity. It has also made recommendations to speed up the forest clearance process.

For the improved protection of wildlife, the committee has recommended review of the existing schedules to the Wildlife (Protection) Act 1972 (the nature of protection is different for the species listed in the various schedules); mandatory preparation of wildlife management plans along with a statutory basis for these plans; and demarcation of eco-sensitive zones or buffer zones around protected areas.

Clearance revamp

One of the significant recommendations has been to revamp the environmental clearance process under the EIA Notification 2006.

New institutions — the National Environment Management Authority (NEMA) and the State Environment Management Authorities (SEMA) — have been proposed as full-time technical organisations with the capacity to process all environmental clearance applications



Wasteland The result of a ravaged environment REUTERS

in a time-bound manner. Eventually, these agencies are expected to subsume the Central and State Pollution Control Boards (PCBs).

NEMA and SEMAs would be set up under a new law — the Environmental Laws (Management) Act (ELMA). ELMA will also provide a statutory basis for the principle of "utmost good faith".

According to this principle, project proponents have to disclose all information about the project, and certify that the facts stated are true. If it is later found that complete and accurate information has not been submitted, penalties in the form of fines, imprisonment, and/or revocation of clearance will be imposed.

The ELMA also suggests setting up special environment courts in every district to decide cases expeditiously. Considering the government's inertia in empowering the National Green Tribunal (NGT), the likelihood of such environmental courts being set up in every district is slim.

An additional forum of appeal has been recommended for parties aggrieved by any decision regarding an environmental clearance ap-

plication. This is viewed by many as a significant dilution of the NGT's current jurisdiction.

The worrying bits

Several aspects of this report are indeed worrying: the dilution of public consultation processes and the near-free ticket to projects of "strategic" and "national" importance — both vague terms; the periodic stress on speeding up approval processes (but not necessarily improving the quality of decision-making); and the lack of substantive discussion on why existing regulatory institutions have failed to protect the environment.

Interestingly, the committee does not engage substantively with issues relating to water and air quality, which form the core of two of the laws under review.

In fact, other than the environmental clearance process under the Environment (Protection) Act, the committee does not comment much on the several other regulatory processes under the EPA.

The report is now being scrutinised by the Parliamentary Standing Committee of science and tech-

nology, and environment and forests, and it is hoped that the government will engage in extensive public debate before initiating reform measures.

While many of its recommendations are unpalatable, the committee's diagnosis of what ails Indian environmental governance is accurate and can serve as a starting point to rethink environmental regulation.

For instance, one issue highlighted is the complete failure of current monitoring mechanisms.

With capacity and resource constraints, as well as corruption and lack of political will, monitoring agencies like the PCBs are not in a position to consistently and accurately monitor regulatory compliance.

Unsuccessful current model

The current model of regulation with criminal sanctions has failed, and it appears unlikely that the government can facilitate conditions necessary for such a model to work well.

The concept of a regulatory tool box with a mix of instruments has been mooted in other contexts as a preferable alternative to a scenario where the regulator can only take extreme measures (like shutting down a power/water supply or revoking a licence) which may be politically, socially, economically, or legally undesirable. The ELMA proposes a graded penalty system.

Meaningful environmental regulatory requires a greater engagement with all stakeholders than has been the case so far.

The government must steer clear of ill-considered acceptance of the committee's recommendations.

The writer is an environmental lawyer with the Centre for Policy Research, New Delhi. This article is by special arrangement with the Centre for the Advanced Study of India, University of Pennsylvania

Tragedy and the twitterati

Social media shapes public perceptions of crises, as the response to the Charlie Hebdo attack reveals very clearly

DHIRAJ MURTHY

After the horrific attacks on Charlie Hebdo, many have turned to social media to express their feelings, show solidarity, or to produce/consume information regarding the attack. The emergence of the trending hashtag #JeSuisCharlie and the chanting of it at rallies around the world indicates how central social media has been as a public outlet during this crisis. Indeed, #JeSuisCharlie speaks to the larger point that crisis hashtags are built around a notion of 'event society' where social media activity can become part of a public sphere that rallies around events such as crises.

Individuals use social media in times of crisis for several reasons. In a study of Twitter use during Hurricane Sandy, I found that some users turn to social media as a form of 'self-therapy', to communicate their anxieties and to receive support. Individuals also turn to social media to produce and consume memes and other humorous content; this can also be a form of self-therapy.



A different handle On news and responses to crises AFP

Though one would not expect humour to be present in #JeSuisCharlie, it is. In homage to the cartoonists who were killed in the attack, some of the images within the hashtag use humour to both cope as well as attack the motives and means of the terrorists. For example, there are numerous cartoons that have been retweeted, which show masked terrorists being attacked by showers of pencils and

pens or a gunman shooting a fountain pen and ink spilling out.

Popular trends

In following #JeSuisCharlie, it remains clear that we have to remember that trending topics by definition trend because they are popular. As such, they are also attractive targets for anyone who wants a soapbox. Because of the usually open nature of social media, hijacking is possible. Companies have also tried to sell products via popular hashtags during times of crises — usually in poor taste.

Strongly polarising forces have had success in inserting themselves into trending topics. In India, this has happened with some far right groups for example. In the case of #JeSuisCharlie, supporters of the gunmen also emerged. The openness of social media makes it possible for it to be used by any side including extremists, spammers and trolls.

Ultimately, we may be tempted to view #JeSuisCharlie as a peripheral part of the Charlie Hebdo crisis. However, social media plays an important role in shaping public perceptions of crises. This is particularly true when celebrities, politicians, and social media 'influencers' direct or spark conversations, chatter, or the circulation of information.

Often just a handful of tweets are what are most read and responded to during crises. Even though social media contains a deluge of content, certain themes can and do shape public opinion during crises.

The writer teaches at Goldsmiths, University of London and is the author of 'Twitter: Social Communication in the Twitter Age'

LETTERS TO THE EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

German blunder

This refers to your edit, 'Booster shot' (January 26). The problem in the European Union is Germany's misconstrued fiscal policy which is against the GDP deflator norms accepted by the European Central Bank. If Germany doesn't get its GDP deflator on par with other European countries, the stimulus provided by the ECB will be of little help to struggling countries.

Germany, which is in charge of the policy in the Eurozone, is responsible for deflation in Europe. History shows that policy blunders in Europe led to conflicts in the world leading to the loss of millions of lives. This time around let's hope they get their policy direction right before it is too late. Germany leads the Eurozone's refusal to accept the evidence of the policy blunders; that's why Europe is in this state.

CR Arun
Email

New ground

India and the US have managed to break new ground by reaching an "understanding" on nuclear trade and defence partnership. The end of the nuclear logjam will enable commercial nuclear cooperation between the two countries, including the sale of US nuclear reactors to India.

The agreement to develop advanced defence projects is also a big stride forward aimed at taking defence cooperation to the next level. The move to have a hotline that will connect Narendra Modi and Barack Obama and security advisors of both countries is historic.

NJ Ravi Chandar
Bengaluru

Give farmers a boost

It is no doubt heartening to note that India and the US have signed agreements that will boost the farmer's defence and energy sectors.

At the same time, one feels India and the State governments here must have agricultural policies and mechanisms to ameliorate the economic condition of our farmers.

The majority live in penury and in debt, despite producing huge quantities of commodities. It will not be out of context to suggest that farmers must be allowed to choose least-cost inputs (of course, qualitative) and maximise their profits. Needless to say, the governments will have to provide good support prices for their produce and eliminate middlemen.

S Ramakrishnasayee
Ranipet, Tamil Nadu

Mumbaikars work hard

With reference to the report, 'Mumbai firms better wealth creators than those based in Delhi' by Meera Siva (January 26), the establishment of financial institutions is cited as one of the reasons for

more wealth creators in Mumbai. But one of the main reasons for successful companies in Mumbai has been ignored. The work culture is far better in Mumbai; Mumbaikars are highly organised and I am sure output per employee in any organisation is superior to employees in other cities.

SA Srinivasa Sarma
Hyderabad

The Padma award saga

The Padma Shri has become a cruel joke. The absence of clear objectives, and proceedings based on pure subjectivity, has made the process a laughing stock and the award itself, inconsequential. Once an individual climbs the first rung of the ladder, that is, gets the Padma Shri, subsequent elevations are automatic. Or you should get miffed and complain and the government will quickly include you in the list. Or they eliminate you and give it to your coach and

take everybody by surprise. Or, they give it based on the time-scale formula.

The government should either scrap this award or institute an objective system for selecting deserving persons.

K Dwarakanath
Bengaluru

Errata

The report, 'NSE to catch 'em young for financial literacy, management' (January 26), got the name and designation of Ravi Varanasi, chief of business development with the NSE, wrong. The errors are regretted. The table on top ten companies by market capitalisation that accompanied the report, 'Mumbai firms better wealth creators than those based in Delhi' (January 26) contained data that was either wrong or outdated. Please see link — <http://goo.gl/XxF2Lg> — for corrected and updated figures.