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OBSERVER

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K O V I E W

Virus Alert

Spread of coronavirus in China and reporting of cases in some parts of the world has been a source of great alarm. The virus has so far claimed 304 lives while 14,380 confirmed cases have been reported in China. The Philippines reported the first death outside China on Sunday. India has so far reported two confirmed cases, both from Kerala. The second patient is also a student from Wuhan who returned to India on January 24 and has been kept in isolation for monitoring. At least 1,793 people are under surveillance at homes across Kerala and 70 have been admitted to isolation wards at hospitals.

This is causing the world to pitch in efforts to stem further spread of the virus. The World Health Organization (WHO) has already declared the outbreak a global emergency. The WHO has said there have been 98 cases in 18 other countries, but no deaths. Addressing a news conference in Geneva, WHO chief Dr Tedros Adhanom Ghebreyesus described the virus as an "unprecedented outbreak". He, however, said it had been met with an "unprecedented response".

Many countries have halted direct flight to China. US and Australia have closed borders to Chinese arrivals. India is currently evacuating its citizens from Wuhan. On Saturday, the second Air India flight from Wuhan landed at Delhi airport with 323 more Indian nationals and seven Malaysians. None from the first batch of 324 Indians flown back from Wuhan have tested positive for the virus. Wuhan has emerged as the epicentre of the coronavirus, with maximum number of cases being reported from there. All confirmed cases across the world have traveled from the city.

The outbreak is testing the world's capacity to handle it. The countries are quarantining their citizens evacuated from Wuhan and the other parts of China, so as to arrest the spread of the virus. But with many countries reporting a case or two of the virus, the situation looks scary and likely to get out of hand if the countries don't take all necessary pre-emptive measures. There is also a concern is that the virus could spread to countries with weaker health systems.

Mercifully, no coronavirus case has been reported in Kashmir so far. Authorities, however, have expressed confidence the administration is geared to meet any exigency in case of the virus outbreak in the Valley. To this end, a high-level meeting was convened in Srinagar on Saturday to review the preparedness of the divisional administration. But the government should back its words with deed. Our poorer healthcare system is conducive to the spreading of the virus should we not act fast and ensure anyone traveling from China is quickly isolated and monitored before being allowed to go home. What government also urgently needs to do is put to more information in the public domain about the virus and about its state of preparedness, something that is singularly absent at this point of time.

OTHER OPINION

Centre Vs States

The ripple effects of the fiscal crisis faced by the Centre are now being felt by state governments. This could potentially strain the already deteriorating relationship between the two. The stress on state finances comes from multiple sources.

First, with the Centre's tax revenues falling short of expectations, it has significantly lowered tax devolution to states in 2019-20, upsetting the latter's budget maths.

Second, the Budget speech seems to suggest that shortfall in states' GST collections will be compensated only to the extent of collections through the compensation cess, and no more. And third, with the government accepting some of the recommendations of the 15th Finance Commission, the share of some southern states in the divisible tax pool has declined. Along with this, other proposals by the Commission, which could impact transfers to state, are also likely to be contested.

In 2019-20, as against a budgeted target of Rs 8.09 lakh crore, the share of states in gross tax revenues fell by Rs 1.53 lakh crore to Rs 6.56 lakh crore. Part of the shortfall, Rs 58,843 crore, is because the Centre had transferred a higher amount to the states in 2018-19. The remaining is because of lower tax collections this year. This shortfall will have a bearing on states' spending. They can either opt to borrow more to finance their expenditure, in which case their net borrowings will exceed that of the Centre, or they can cut back on spending, further aggravating the slowdown.

Another source of contestation has been the issue of GST compensation. The Budget speech notes that, "hereinafter, transfers to the fund would be limited only to collection by way of GST compensation cess" — hinting at the possibility that states will be compensated only to the extent of collections through the compensation cess. This move, presumably because the Centre's own finances are under pressure, will amount to the Centre reneging on its promise of protecting states revenue, and could be a justiciable matter.

Another bone of contention has been the use of 2011 population estimates for estimating tax devolution. While the Finance Commission has chosen to minimise criticism by factoring in demographic performance, the share of many, mostly southern states such as Karnataka, Kerala, Telangana, and Andhra Pradesh, has fallen. This will further strain these states' finances.

Further, while the Commission recommended special grants to ensure that no state receives a lower amount in absolute terms post devolution, the Centre has not accepted it. Moreover, the possibility of setting up a non-lapsable fund or an alternative mechanism for defence and internal security — also on account of the Centre's limited fiscal space — if carved out from gross tax collections will further reduce the divisible pool for states, and could emerge as yet another stress point in Centre-state relations.

The Indian Express

BUDGET 2020
Out Of Touch
With The Reality

GAUTAM CHIKERMANE

What an economy generally needs from the government is to help catalyse entrepreneurial ideas and turn them into wealth, if not drive animal spirits.

The Indian middle class will count a few rupees, bank depositors will get a little security, privatisation enthusiasts will chew on a new player in the market. But other than high-sounding grandiose statements, Indian Budget 2020 has delivered no expectations. This was preordained, of course. So, if anyone is feeling disappointed, clearly s/he is not reading the economic signals in the economy or the government's approach to it clearly. India's Finance Minister Nirmala Sitharaman had little room for manoeuvre. Her budget shows how little.

In a line: Budget 2020 is yet another wasted opportunity.

No analyst in her right mind anticipated that Sitharaman's second budget would deliver on-ground change and help kick-start the economy. But after the inspiring economic survey - a document that has zero-actionability but is one of the most read texts in reading the mind of governments - was tabled in Indian parliament on January 31, 2020, we expected more than lip service to wealth creation.

At a time when removal of hurdles before businesses is the crucial conversation and economic growth has been slowing down consistently, the budget, even if it did not yield immediate returns, should have signalled the government's intent to reform. It should have addressed the series of crises that entrepreneurs have been facing, from real estate to finance to manufacturing to infrastructure. None of that happened.

Instead, the government rattled on the same-old-same-old politics dominant sloganeering. So, aspirational India is defined by agriculture, irrigation, and rural development; wellness, water, and sanitation; and education and skills. Caring society focusses on women and child; social welfare; culture and tourism; and environment and climate change. And economic development is all about industry, commerce, and investment; infra-



What an economy generally needs from the government is to help catalyse entrepreneurial ideas and turn them into wealth, if not drive animal spirits. In this way, businesses build enterprises, create jobs and pay taxes for wealth redistribution. For Indian entrepreneurs, the expectation scale is even lower. All they seek is to reduce the administrative burden in doing business, from laws and rules to compliances and filings.

structure; and new economy. Of the three, only the last has the ability to turn the economy around.

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These reforms lie outside the budget, and Sitharaman has done well to list them out. The Investment Clearance Cell is yet another institution that this budget creates. But if past track record is any indication, it will not "create more opportunities" and "remove roadblocks". It will clear nothing but create another layer of bureaucracy. Likewise, with the five new 'smart cities'. That she hopes to work with states to create them is a good sign; but the state of the earlier 100 smart cities makes us sceptical about where these five will go.

On infrastructure, as predicted, the Rs100 trillion number has once again been hurled at us. A positive note here is the first detailing of this number, which include accelerated development of highways, electrification of 27,000 km of tracks and

suburban projects in railways, and waterways. New announcements need new jargon. This year's is: new economy, comprising artificial intelligence, Internet-of-Things, 3D-printing, drones, DNA data storage, quantum computing, and data parks. Behind the new jargon, however, the policy minds craft out the old.

The one idea the budget has pushed forward that will do well is to sell a part of government holding in Life Insurance Corporation by way of an initial public offer. This will have four implications. First, it will fetch money for the government. Second, it will deepen the stock market on listing. Third, it will enter the Sensex and change its composition and weights. And fourth, it will force this never-reform organisation to change.

Finally, in terms of changes in direct taxes for individuals, Sitharaman has done what we had recommended: reduce the rates and remove the exemptions and deductions, as she did for corporations in September 2019. Further, by increasing the number of tax slabs to five from four in her previous budget and to eight from five in Budget 2020, what she is telling us is that she seeks complexity of tax laws and its accompanying compliances - not simplicity. In a way, she is replicating the complexity of rates in GST and transplanting it on individuals. Along with the government in

general, therefore, Sitharaman remains trapped in the policymaking thought-traps of the 20th century - command, control, coerce. Instead, she needs to carry India to the 21st century policymaking - simple, effective, easy to pay, and file. There is much fine print here and a future essay will explore this in deeper detail.

The other small policy change she has bought in budget 2020 is to increase the protection to deposits by account holders to Rs5 lakh, from Rs1 lakh. This has taken too long to come and is still inadequate. The insurance guarantee from Deposit Insurance and Credit Guarantee Corporation began with Rs5,000 from January 1, 1962. This was raised to Rs10,000 on April 1, 1970, to Rs20,000 on January 1, 1976, to Rs30,000 on July 1, 1980, and finally to Rs100,000 on May 1, 1993. Taking an average 12 per cent growth, the number today should be around Rs20 lakh. The numbers notwithstanding, along with this protection, she now has the opportunity to table the Financial Resolution and Deposit Insurance Bill.

At the macro level, the budget boldly states, will deliver a nominal GDP growth of 10 per cent, a fiscal deficit of 3.8 per cent for 2019-20 and 3.5 per cent for 2020-21. On the former, we are not holding our breath; on the latter we remain unimpressed. Almost a thousand points down, the Sensex elegantly captures the short-term impact of shifting the burden of dividend distribution tax to recipients from companies. While this is best ignored, such a luxury exists only when the economy is growing, not when it is faltering.

Perhaps, what we really need to get the government going on economic issues is a real crisis of 1991 vintage. Out of tune with the harsh reality of a slowdown that may turn into a recession ahead, out of sync with wealth creators and their problems, out of sight as far as economic growth is concerned, and out of beat with the real aspirations of India, Sitharaman's 45-page document remains steeped in the past. Hopefully, other policies during the course of the year will help perk up growth. (Observer Research Foundation)

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Non-Violence As
An Art Of Resistance

AVIJIT PATHAK

sports carnivals, we see the sanctification of this sort of violence.

Second, it excites the surface personality; it stimulates brute instincts, and leads to some sort of catharsis or immediate instinctual gratification. In recent times, we are seeing this sort of violence in the form of mob lynching or communal frenzy.

Third, it is appealing because it does not demand the honest labour of self-reflection. Instead, we are led to believe that the problem lies necessarily always outside, and hence the annihilation of the 'enemy' out there is seen to be the only way to our redemption. In fact, the prevalent majoritarian nationalism sustains itself through this negative logic of the 'enemy', be it Pakistan or a bunch of 'urban Naxals'. The stimulation of war is what explains its mass appeal. Fourth, it satisfies the urge to find quick 'solutions'. This sort of 'surgical' orientation is seen in the nihilistic play of 'suicide bombers', or even in the supposedly 'revolutionary' guerilla warfare. And fifth, it encourages one's sadistic thrill of being seen as 'superior' to others. This violence in the name of hierarchy or asymmetrical distribution of cultural/economic capital is seen in the cycle of caste war, racial discrimination and class conflict.

Yes, violence surrounds us, and we do not seem to be very kind to those who plead for non-violence. Jesus was crucified; Gandhi was assassinated; and John Lennon was killed. Moreover, we should not forget that the discourse of 'progress' and 'development' modern societies cherish is inherently violent. While techno-science, with its reckless urge to manipulate and conquer nature, causes environmental violence and promotes instrumental reasoning, the self-seeking consumer

striving for a mythical notion of 'good living' is reducing life into a war zone — a site of neurotic social Darwinism. In other words, we are caught into the very logic of structural violence.

Hearing the existential call

However, there are moments when we hear the existential call: to live is to rebel; and to rebel is to love and heal the wound. The fate of non-violence as an art of resistance, a mode of living, or a politico-spiritual pursuit would depend on our willingness to understand the meaning of this existential quest. Yes, even amid the all-pervading darkness, we see the traces of light. For instance, when the violence of 'development' is seen as 'desirable', Medha Patkar's jal satyagraha appears as the light of illumination. Or when the ruling regime remains intoxicated with power, Shaheen Bagh begins to look like a zone of possibilities — women filled with qualities like endurance, moral strength and non-violence, are revealing the immorality of the mighty state. And even when young students evolve the new aesthetics of resistance, and reveal the elasticity of consciousness by engaging with Marx as well as Gandhi, or Ambedkar as well as Bhagat Singh, we see the spark of non-violence.

The question is whether this potential can be unfolded further, and we can move towards non-violence as a mode of living, politics, culture, economy and education. To begin with, it has to be realised that to move towards non-violence is to move towards the spirit of non-possessiveness. Because it is the urge to accumulate wealth and power that intensifies one's ego, and causes a broken relationship with others. Likewise, to practice non-violence is to sharpen the power of empathy, and cultivate the art of listening. The

spirit of dialogue or the ethics of care emanates from non-violence; it is the only answer to a totalitarian/fascist mindset. Moreover, non-violence demands the fundamental faith in the potential of what Gandhi would have regarded as 'soul force', even though we are more used to 'brute force'. In other words, non-violence is a quest, a journey, a process of awakening.

In fact, non-violence as a state of being, and a non-violent society as a structure of relationships, reinforce each other. A non-violent society, needless to add, cannot be based on the logic of techno-capitalism, its exploitative urge, or the violence it inflicts on nature through the logic of ceaseless 'development' and consumerism. Gandhiji was absolutely clear about it. A non-violent societal imagination ought to inherit the spirit of universalism; it has to see beyond militaristic nationalism, parochialism and religious fundamentalism. Rabindranath Tagore, I believe, captured this spirit quite well. Furthermore, a non-violent society has to be a casteless society; possibly, Dr. B.R. Ambedkar's inclination to the Buddhist ethics indicated this quest. Finally, a non-violent society seeks to overcome the Cartesian fragmentation and division; instead, it unites science and ethics, politics and spirituality, education and meditation, economy and ecology, and masculine and feminine.

We are passing through terribly difficult times. With the rise of right wing nationalism in different parts of the world, the culture of violence has acquired a new dimension. And in our own country, the non-dialogic ruling regime with its propaganda machinery is turning everything into its opposite: vice into virtue, hatred into patriotism, and hyper-masculine aggression into religion. Yet, as I see the pockets of resistance, I begin to believe that the quest for non-violence cannot be finished. Possibly, at this crucial juncture, we are passing through some sort of inner churning

The Hindu