



Avoidable suspense

SEBI could have handled better the issue of Indian-origin foreign portfolio investors

Foreign investors in the Indian market are used to unexpected twists in the regulatory landscape, but they seldom talk tough in the public domain. So it was unusual for a group of foreign portfolio investors (FPIs) to openly appeal to the Prime Minister for an urgent intervention last Monday. The Asset Managers Roundtable of India (AMRI) warned that India's booming stock markets will be in for a tight bear-hug and the embattled rupee could face even greater pressure if an April 10 diktat from the Securities and Exchange Board of India is not scrapped. The SEBI circular, they argued, disqualifies about \$75 billion of portfolio investments into India made by FPIs backed by domestic institutions, NRIs, Persons of Indian Origin and Overseas Citizen of India card-holders. The total portfolio investments in India's financial markets are estimated at \$450 billion. The circular, issued to enhance the Know Your Client norms for FPIs, ended up imposing a blanket ban on certain types of investments where NRIs, PIOs or OCIs were investors (beyond a threshold) or even served as senior managing officials of these funds. The circular delegates the task of identifying high-risk jurisdictions, with tighter KYC norms, on custodian banks.

Last week, SEBI called AMRI's warning as "preposterous and highly irresponsible". Yet, by the weekend the H.R. Khan Committee set up by SEBI recommended changes that may be made to the regulator's directive, addressing most of the concerns raised by the FPIs. The panel's report clarified that NRIs, OCI card-holders and resident Indians can manage the investments of any FPI registered with SEBI and, more importantly, hold up to 50% of an FPI's assets under management. This has removed any ambiguity and provided relief to foreign investors who were left guessing how the term 'majority' – as stated in the April circular – would be determined by SEBI while applying the beneficial ownership test. The committee said the deadline for complying with the circular, which was already extended from August 31 to December 31, must be extended further, and funds with investments breaching the final thresholds that the regulator decides upon should be granted 180 days to unwind positions. SEBI has now announced public consultations before it finalises these norms, and in the process created some breathing space for such funds to remain invested on Dalal Street. No one should have a grouse with attempts to curb round-tripping of illegal domestic wealth into the Indian market through the foreign investments route. But treating all FPIs with Indian-origin managers as potential conduits of illicit money is unwise. SEBI could have managed all of this as an independent regulator had it held a timely dialogue with stakeholders before framing these norms, as it usually does. Such policy uncertainty and sharp about-turns will do little to enhance India's credibility among global investors.

The centre holds

Sweden's far-right gets less than expected, but still its growing popularity is a warning

Shrinking vote share for the centrist parties and a notable showing by the far right in Sunday's elections in Sweden echo the growing anti-immigrant mood in the Nordic nations and across Europe. The incumbent Social Democrats have emerged as the single largest party, but short of a clear majority. Their razor-thin lead over the centre-right will complicate Prime Minister Stefan Löfven's bid to form another minority government. But the most notable phenomenon of the election has been the extreme-right Sweden Democrats, who have been riding the populist wave over immigration and rising domestic crime. It is but small comfort that the party, like its counterparts elsewhere in Europe, did not perform as well as opinion polls had projected. The party, which has its roots in the neo-Nazi movement, has steadily increased its vote share since 2010, when it crossed the minimum threshold to enter Parliament. That share more than doubled in 2014 and has risen further now, bringing it more than 60 seats in the new legislature, which has 349 seats. This performance may render the political isolation of the Sweden Democrats by mainstream parties less tenable in the future. The Moderate and Christian Democrat parties in the centre-right Opposition seem to be gradually shedding their reservations about the Sweden Democrats. The far right's criticism of the government's policy to admit Syrian refugees in 2015 as a strain on Sweden's generous provision of social welfare has already gained some traction. Similarly, it has also stoked the anti-immigrant sentiment by playing on security concerns arising from terrorist attacks in several parts of Europe.

The strain of the lack of a clear majority for the Social Democrats is already apparent, as Prime Minister Löfven faces calls from the Moderate party to step down. While Mr. Löfven has dismissed the suggestion, he is conscious of the political need to strike pragmatic compromises and build a consensus among like-minded parties. With healthy economic growth and relatively low levels of unemployment, the challenge for the new government is to address the mounting demands on the country's public health care and education services. That would be an effective counter to the populist rhetoric of the extreme right. The region's next big democratic test will be the 2019 elections to the European Parliament. The history of the European Union-wide elections bears little evidence of popular enthusiasm. Nor have the MEPs been effective in addressing the authoritarian challenge in, say, Hungary and Poland. But the common threat of right-wing extremism could well trigger a popular pan-European response.

Imitating to flatter?

The Opposition's feeble and piecemeal response to the BJP's challenge is mystifying



VIDYA SUBRAHMANIAM

Whatever happens in the 2019 Lok Sabha election, or the decades thereafter, Prime Minister Narendra Modi and Bharatiya Janata Party (BJP) president Amit Shah have already won the prize for self-belief and swagger. They had announced a blitzkrieg of plans for 2022 when the BJP-led National Democratic Alliance government was not yet midway through its first term. At the party's National Executive meet on the weekend, Mr. Shah took aplomb to unexplored heights by announcing the BJP's intention to stay put in office for another 50 years. Of course, with the caveat that the Opposition had a window of opportunity in the 2019 election.

Belligerent BJP

The BJP is genetically configured to exude confidence against the worst odds. But the current belligerence astounds in the face of the following: a less than exceptional record in office, a politics of polarisation that has kept the country in a state of tension and conflict, and new challenges to the party's own carefully-constructed social constituency.

A microscopic scrutiny of the Modi government's performance is beyond the scope of this piece. However, from the perspective of the common people, surely the failures stand out, especially those that have devastated the poor and small businesses. Among them: demonetisation; the Goods and Services Tax (GST); and galloping

fuel prices pushed up further by a falling rupee. Today there is a near consensus (except in government circles) that demonetisation, while monumentally failing in its primary objective of nullifying black money and counterfeit notes, totted up unintended penalty points – slowing down the economy for several quarters and strangulating the cash-dependent informal sector. The GST, pushed at the midnight hour in an attempted equivalence with the new dawn at India's Independence, has been turned into a byzantine nightmare by a government botching its implementation. The promised 'Good and Simple Tax' has become its ironic opposite.

On rising fuel prices and the falling rupee, it would be hard to beat the reactions from a different time – around 2013 when Mr. Modi and the then Leader of the Opposition in the Lok Sabha, Sushma Swaraj, lacerated Prime Minister Manmohan Singh with words that have come back to haunt them. Even the reported uptick in the GDP comes alongside feedback from the ground of severe distress among farmers, industrial labour and unemployed youth, graphically captured by a recent protest march by tens of thousands from these groups.

Social tensions

But by far the most troubling legacy of the government has been in the social sphere, which has been wrecked, possibly beyond restoration, by a pernicious brand of Hindu nationalism that has taken violence to new, grotesque levels. There are many milestones here. In the new order of things, communal violence is no longer episodic but a continuum without end. Its execution is in the manner of a ritual, with the victim held captive and a video crew filming



R.V. MOORTHY

for larger audiences every blow, every beating, especially the final sadistic kick before life ebbs away. The crime is not hidden, as would be the normal instinct, but worn as a badge.

In another first, the violence has been drawing approval not only from social media troll armies that applaud acts of depravity but from sections of the ruling class, including MPs and Ministers. Indeed, the Prime Minister's occasional and generic condemnation of violence did not stop Union Minister Jayant Sinha from garlanding and posing with men accused of lynching.

The marauders have had their way so easily, openly and so often in these four and a half years that the lynchings, mainly of Muslims and Dalits, do not numb the senses, as happened in 2015 when Mohammed Akhlaq was killed in Uttar Pradesh for the alleged sin of storing beef. At the time a further shock was how unconsciously the debate moved to whether it was beef or mutton that was stored. Since then we have had Pehlu Khan, Junaid and many more. The names have morphed into statistics... 10, 11, 15 and so forth.

Incendiary calls from the right have become the expected thing. Neither Mr. Sinha nor those found to have repeatedly crossed the red

'Dear Comrade Gautamji'

As the authorities summon the spectre of a Maoist threat, here's what the Navlakha case shows us



SANJAY KAK

When police picked up Gautam Navlakha from his home in New Delhi two weeks ago, it was part of a string of simultaneous arrests from across the country. Sudha Bharadwaj was picked up from nearby Faridabad, Arun Ferreira from Thane, Vernon Gonsalves from Mumbai, and Varavara Rao from Hyderabad.

Colour by number

In trying to make sense of the arrests of these well-known public figures – lawyers, activists, poets, teachers – it helps to think of a game plan inspired by the 'colour-by-number' books that young children so enjoy. Each page is only a confusing mess of lines and shapes at first. Only when you diligently follow the numbers, and fill in the boxes with the suggested colour, does the picture begin to emerge.

In this colour-by-number exercise, which box could Mr. Navlakha be fitted into? And what colour would it be?

At the time of the arrests the charges against all five were said to connect them to the violence that followed the Elgar Parishad rally just outside Pune, on January 1, 2018. As we enter the already over-

heated warm-up to the 2019 general election, the possibility of a powerful assertion of Dalit politics, exemplified by Elgar Parishad, seems imminent. And it clearly puts the political status quo represented by the Bharatiya Janata Party under pressure. The impulse to connect the five activists to a conspiracy around Elgar Parishad certainly existed. But Mr. Navlakha was not in the right box here: he was not present at this rally (nor were his other four co-accused), and no other links with the violence at Bhima-Koregaon was forthcoming.

The Pune police soon produced before the media a large cache of emails, evidence they said of "a larger conspiracy by Maoist organisations to overthrow the lawfully established Indian government". For good measure these self-incriminating emails of unproven origin threw in an attempt to assassinate the Prime Minister as well. No codes were used in these 'top-secret' letters of the underground (and ultra-secretive) Maoists, nor were pseudonyms deployed. This made it convenient for an obliging media to run blithely with the accusations. Inevitably there was a 'Dear Comrade Gautamji' letter too.

The five names had not been picked out of a hat either. In recent months each one of them had been flamed in the media, in a vituperative and sustained campaign launched and conducted by TV channels. This continued even after the arrests, and the effort to



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link these activists, and produce something that suggested a major conspiracy, was melded under the obliging glare of TV cameras.

Gautam Navlakha emerged as a particular favourite, and those who know him, and admire him, know why. There is nothing secret about his beliefs. He is someone who is simply unwilling, and perhaps even unable, to hold back from calling a spade a spade, whether in the context of Kashmir, or Bastar, the two issues about which he has written with the most consistency in recent years. So grainy videos of his speeches have been dug out from the archives, and with short excerpts looped out of context, an unspecified conspiracy is sought to be shaped.

The day after his arrest someone pointed out, only half in jest, that the possibility of Mr. Navlakha being part of any conspiracy was remote. For so fierce is his commitment to justice, and so highly does he value his independence, that he was certain to be a liability!

lines have been punished with expulsion. Undoubtedly because of the impunity offered to the offenders, the violence has spread and taken different forms, including copycat lynchings of people suspected to be child lifters, and mob vandalism by Kanwariya processionists returning from pilgrimage.

The descent into darkness can be judged from increasingly worried public voices. Industrialist Anand Mahindra took to Twitter to express his disapproval: "If there's one thing that worries me about the future, it is dictatorship by mobs... Quelling these mobs has to be non-negotiable." The Supreme Court, which felt constrained to call for a law against lynching, wondered if mobocracy had become the new normal: "Horrendous acts of mobocracy cannot be permitted to inundate the law of the land."

The arrests recently of rights activists with a record of support and service to Dalits and Adivasis has added to the liberal perception of a vindictive regime that has already whipped up public opinion against them by publicising unproven charges, some of them ludicrous. The Supreme Court has had to intervene to restrain the police and ease the terms of their detention.

Opposition's strategy

So why is the BJP so confident? Is it because the party has calculated that the lawlessness visible to the naked eye is in fact its achievement, and will be viewed as such by an already Hindutva-ised India? The liberal opinion may be appalled by what it sees as an 'undeclared emergency', the apex court in its decision in the 377 case, felt to have wider applicability, may have emphatically upheld minority rights, but there is no evidence

that the middle class with a vital role in moulding public opinion feels the same way. The social media has become the place to air and rejoice in collective bigotry. Besides, the BJP continues to find support among the Other Backward Classes, belying the conviction that proponents of social justice are necessarily opposed to Hindutva majoritarianism.

The fear of the 'Hindu vote' must then explain the Opposition's feeble and piecemeal response to the BJP's aggression. Civil society has been louder in its condemnation of the 'culture of impunity' under the NDA government than the Opposition which held its first joint protest on Monday – but only on the runaway fuel prices, not on the threat to democracy from a party and government seen to have laid siege to India's social landscape.

The Opposition strategy, if there is one, is predicated on forming State-level alliances, not on ideologically challenging the incumbent coalition. The only leader who's been something of a thorn in the BJP's flesh is Congress president Rahul Gandhi. There are signs that the BJP is discomfited by his Kailash Mansarovar yatra. But not to worry. Mr. Gandhi's intention is only to prove he is a better Hindu. This is a game that can spin out of control, and that might already be the case, with the Congress declaring Brahminism to be in its DNA and cow protection as its creed. If there is a threat to the BJP, it is possibly from within, judging by the upper caste anger against the party's overtures to Dalits, a community itself in ferment over felt discrimination.

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It is precisely that principled intransigence, that consistency of commitment that comes shining through if you even casually rifle through his writings of the last three decades. His wide-ranging columns in the *Economic & Political Weekly* have covered a range of urgent issues, from human rights and civil liberties to defence and militarism. Long before the human rights community in India had even taken note of the situation in Kashmir, Mr. Navlakha had begun travelling there and produced analysis that systematically looked at the pattern and consequences of militarisation.

More recently Mr. Navlakha has written extensively about the context of the Maoist rebellion in central India, and his 2010 journey to the forests of Bastar in the company of the Swedish writer, Jan Myrdal, resulted in *Days and Nights in the Heartland of Rebellion*, a book where he is a witness at once "both critical and partisan". It is that ability to stay as the outsider, and keep a distance from the rigidities both of conventional scholarship and of routine activism that make him an exceptional figure.

So what does the inclusion of someone like 'Dear Comrade Gautamji' in this conspiracy hope to achieve?

Convenient Act

While the recent attempt to silence people with the broad brush of #UrbanNaxal was confidently laughed off by the public at large, these arrests (as well as the earlier

arrests of five activists in June this year) are clearly designed to summon a spectre, that familiar threat to the "lawfully established Indian government". In Mr. Navlakha's work the conspiracy has found a convenient way to link the "threat" posed by the Maoist insurgency to the disaffection and rage in Kashmir.

Much of what has transpired since the arrests would have been laughable too if the charges had not been made under Unlawful Activities (Prevention) Act, the draconian UAPA: Section 16 (punishment for terrorist acts), Section 17 (raising funds for terrorist acts), Section 18(B) (recruiting persons for terrorist acts), Section 20 (being member of a terrorist gang or organisation). It is the application of the UAPA, with the extreme difficulty of obtaining bail under it, that make even a ham-handed arrest a matter of grave seriousness, for long, debilitating stretches in prison invariably precede a trial under these sections.

In the coming months all of us will be faced with some form of the colouring book I began with, and asked to unquestioningly fill in the suggested colours. There is already enough to tell us that the predetermined picture is the wrong one. I like to think that Mr. Navlakha would have refused to follow the numbers, and gone by what he knew and understood for himself. Perhaps so should we.

Sanjay Kak is a documentary film maker and writer based in New Delhi

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.

Clemency question

The assassins of former Prime Minister Rajiv Gandhi have already received generous clemency. Their capital punishment was reduced to lifelong imprisonment. Any further remission will be a travesty of justice purely on political considerations (Editorial, "Clemency question", September 11).

Forgiveness is only part of coming to terms with a tragedy. Forgiveness can be liberating – a way to peace. But justice is markedly different and based on legality, and not morality. The assassins do not deserve any further leniency as they committed an act of extreme depravity. Setting them free would set a very wrong precedent. Rajiv Gandhi was brutally

assassinated in pursuance of a diabolical plot conceived and executed by a feared terrorist organisation. Any such request has only political ramifications and would be utterly illegal.

C.V. VENUGOPALAN,
Palakkad

■ A 'one size fits all' approach should not be applied to all convicts. One should be also mindful of the fact that in this case these are criminals who carried out a heinous act. If they are released, what is the guarantee against recidivism?

DEEPAK SINGHAL,
Noida

Opposition bandh

There may be a political slug fest over how successful the

Bharat bandh spearheaded by an alliance of Opposition parties was, which they had called in order to protest the spiralling prices of petroleum products and other essentials ("People were indifferent to bandh: Centre", "Rahul Gandhi slams Modi's 'divisive' politics", September 11). Oil is on the boil which has led to a ripple-effect and a consequent increase in the prices of essentials, in turn hitting the common man hard. Only a relentless and sustained onslaught by battle-weary citizens can goad the government into action.

N.J. RAVI CHANDER,
Bengaluru

■ Even after economic turmoil and with the rupee nosediving to a new low, the

ruling party has the audacity to announce that fuel prices are decided by global factors. As is his wont, the Prime Minister has no words for the suffering masses. It is obvious that the BJP wants to consolidate the line of Hindu polarisation, as there is nothing the party can claim by way of development, faced with the failures of demonetisation and GST. It is for the Opposition to present to the people a strong alternative.

G.B. SIVANANDAM,
Coimbatore

Readers speak

In the 1970s and 1980s, when knowledge of shorthand facilitated opportunities for job aspirants, typewriting institutes used to give shorthand dictation to learners by using the

Editorial pages of *The Hindu*. The master at my institute often advised students to read the Editorials without fail ("Page 1, "Let us know you better", September 1).

K. JAYANTHI,
Chennai

■ It is about 50 years since I began reading *The Hindu*. Having studied in a Tamil medium school, it needed tremendous effort on my part to absorb and assimilate the English language. My letters to the Editor have appeared occasionally. The first time it appeared is also memorable. I received words

CORRECTIONS & CLARIFICATIONS:

The graphic that accompanied the news report, "Delhi launches doorstep delivery of government services" (some editions, Sept. 11, 2018), had incorrectly listed ration card and birth certificate among the services offered.

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