Auditor's account

The CAG report does not allay all doubts about the Rafale deal

he price-redacted audit report on the process to acquire 36 Rafale fighter jets is unlikely to bring closure to the controversy over the deal. The report of the Comptroller and Auditor-General of India tabled in Parliament comes in the midst of a vigorous campaign by the Opposition that is questioning the process, based on media revelations about possible lapses and deviations and significant points raised by dissenting members of the Indian Negotiating Team (INT). The Modi government can draw comfort from the fact that the CAG report concludes that the 2016 agreement is slightly better in terms of both pricing and delivery than what was under negotiation in 2007 during the UPA regime. However, the report does not allay all doubts. Pegged at 2.86%, the price advantage in the contract over the 2007 offer is marginal. It is a far cry from the 9% saving claimed by the government. The delivery schedule is only one month sooner than the estimated outer limit in the earlier process. The CAG has found fault with Dassault Aviation being allowed to retain the gains made by the absence of a bank guarantee, which, if executed, would have come with significant charges. Disappointingly, the CAG has not quantified this amount, though it declares that it should have been passed on to the Defence Ministry. The 2007 price offered by Dassault included bank charges, and its absence in the 2016 contract is a clear benefit to the company. In other words, the 'advantage' is lower than the 2.86%.

While the key question of pricing is sought to be resolved by the CAG by comparing the auditors' aligned price with the INT's computation, some issues remain unaddressed. The original issue of bringing down the total acquisition from 126 to 36 aircraft does not draw much comment. Also, the huge outgo on the India-Specific Enhancements (ISEs), despite the final figure being projected as a 17% saving on the aligned offer, is something that requires deeper examination. While auditing the earlier process, the CAG found that ISEs were upgrades allowed to be made so that Dassault's bid would be compliant with qualitative requirements. Even a team of Ministry officials that examined in March 2015 the integrity of the earlier process concluded that "the acceptance of [Dassault's] additional commercial proposal after bid submission date... was unprecedented and against the canons of financial propriety." Dassault was not the lowest bidder in the earlier process, and its technical bid had been rejected. Perhaps, this presented an opportunity to the present regime to reopen the entire process to buy Medium Multi-Role Combat Aircraft (MMRCA) and invite fresh bids. However, it chose the IGA route with France, possibly for diplomatic reasons. The CAG identifies as a major problem the fact that the technical requirements are too narrowly defined for most vendors to comply with. The message from the report is that defence acquisition processes require reforms and streamlining.

Common and minimum

Opposition parties will have to make compromises to build a cohesive front

olitical stability is a necessary but not sufficient condition for good governance. But the promise of stability is now such a recurring theme in the speeches of senior BIP leaders, including Prime Minister Narendra Modi, it is almost as if nothing else matters. As Opposition parties of different persuasions are beginning to stitch together a motley coalition, the response of the BIP is in the form of raising visions of the vears of instability in the latter half of the 1990s when neither the BJP nor the Congress could get a majority in the Lok Sabha. The BJP would like to believe that 2014, when it became the first party to win a majority on its own since the Congress in 1984, was no aberration. A call to vote for stability used to be the Congress's slogan in the 1990s, but it is now appropriated by the BJP as the biggest party on the political landscape. The more the prospect of a united Opposition draws close, the greater the BJP harps on the need for stability. In Maharashtra and Goa, the BJP runs coalition governments without too much trouble, but it is acutely conscious of the possibility of a coming together of Opposition parties if it falls short of a majority. Finishing as the single largest party might not be enough for the BJP in a situation where it has alienated even its existing allies. The Shiv Sena is a difficult ally, and the Janata Dal (United) an undependable one. A post-poll polarisation of smaller parties could hurt the BJP more than the Congress.

The rhetoric around stability is forcing a response from the major Opposition parties. After the rally organised by the Aam Aadmi Party in New Delhi, the push seems to be towards forming pre-poll alliances and formulating a common agenda as part of developing a more cohesive coalition. Congress president Rahul Gandhi is now talking of a common minimum programme, and of working together with Mamata Banerjee of the Trinamool and Arvind Kejriwal of the AAP, and Sharad Pawar of the Nationalist Congress Party. The AAP rally may have just turned out to be more than a show of hands. But for the Congress, the challenge is to build alliances with different parties in different States to take on the BJP. In Rajasthan, Madhya Pradesh and Chhattisgarh, where it is the dominant party, it might still need the support of the BSP to maximise the yield in terms of seats. In Punjab and Delhi, it could do with the help of the AAP. In Karnataka, it would have to deal with a demanding partner in the Janata Dal (Secular). In Bihar and Tamil Nadu, it is the smaller partner in alliances. A common minimum programme might thus have to be truly minimum in order to remain common.

Stress points of democracy

In this election year in India, we need to keep a sharper eye on the weakening of institutions



M.K. NARAYANAN

These are difficult, as also unsettling, times. It is not the complexity of issues that confront the world as much as the steady undermining of institutional and knowledge structures that are posing a threat to the world.

Across the world, democracy is in obvious retreat, with authoritarian tendencies on the ascendant. Russia's Vladimir Putin, China's Xi Jinping and Turkey's Recep Tayyip Erdogan are constantly projected as the faces of authoritarianism, but many democratic leaders reveal a similar authoritarian streak, which adds to democracy's woes. It may be too early to predict the demise of democracy, but the reality is that it is not a good time for democratic institutions, or for those who see democracy as the answer to the world's problems.

Examples everywhere

Several examples exist worldwide on how decisions today are handed down, rather than being the outcome of discussion and debate. Hallowed international institutions such as the World Bank are facing the heat today for not conforming to the prescriptions of certain powerful members. At the same time, there are enough examples of democracy going awry. Brexit, and the Brexit debate, in the U.K. and Europe is a good example.

The U.S., which prides itself as a leading democracy, is setting a bad example today. Under President Donald Trump, arbitrary decisionmaking has replaced informed debate. His diatribe against what he

calls a "ridiculous partisan" investigation against him is an indication. Another is his determination to build a wall to keep out Mexican immigrants, even risking an extended shutdown of the U.S. government. The decision of the U.S. to withdraw from the Intermediate-Range Nuclear Forces Treaty - a key pact signed in 1987, and hailed as the centrepiece of European security since the Cold War without a detailed internal discussion appears to be setting the stage for Cold War 2.0.

It is, however, the ignoring of democratic conventions nearer home that are cause for greater concern. In a pluralistic, multiparty federal system, disdain for democratic conventions and the violation of well-entrenched behavioural patterns are causing irreversible damage to the polity

Federal fallout

Currently, we are witnessing vituperative exchanges between the Prime Minister and some Chief Ministers which involve accusations such as fomenting riots and running extortion rackets. This damages the fabric of democracy. Centre-State relations are already under strain, and face the threat of still greater disruption.

Selective interpretation of information is a fallout of such situations. Those in authority deem all information not acceptable to them as nothing but disinformation. Those opposed to the government, on the other hand, insist that the government suffers from a lack of probity. The current sulphurous exchanges between the ruling dispensation and the Opposition over the purchase of Rafale aircraft are an example. The casualty is truth, and the veracity of official facts and statistics.

Many instances of this kind can be quoted, but one specific instance that has caught the fancy of



the public is the current debate on jobs and unemployment. The Central government has effectively rejected a report by the well-regarded National Sample Survey Office

- which showed that unemployment in 2017-18 was at a 45-year high – without giving any valid reason for doing so. The government's only reasoning for rejecting the report is that it is a 'draft', which has only added to existing doubts about its real intentions. Similarly, doubts are being raised about the validity of the government's revised GDP estimates.

Breaches of democratic conventions are adding to the already existing disquiet. Adherence to democratic norms has for long been perceived as crucial to maintaining the independence of institutions and processes. An impression exists today that attempts are being made to effect changes in the existing system. Two instances during the past year when the government breached long-held conventions have raised questions about the intentions of those in

authority. One was the brouhaha concerning the Reserve Bank of India (RBI), and a perceived attempt to reduce its functional independence, to compel it to fall in line with the views of the government. The resignation of the RBI Governor put a temporary quietus to these concerns, but it is widely believed that the RBI has been brought into line with the government's wishes. The second instance relates to the Interim Budget in an election year. The Interim Budget announced on the eve of the 2019 general election clearly breaches certain long-settled conventions, by including many substantial measures that ordinarily would form part of a regular Budget. The intention is plain, viz. build more support for the ruling dispensation in an election year.

Alongside the decline in democratic conventions, another cause for concern is the virtual collapse of key institutions such as the Central Bureau of Investigation (CBI). Touted as India's premier investigation agency, its reputation has of late suffered a near mortal blow, mainly on account of internecine quarrels, as also external interference in its internal affairs. Created out of the Delhi Special Police Establishment in 1963, a brainchild of then-Home Minister Lal Bahadur Shastri, the agency was earlier headed by persons with impeccable integrity and ability. It had also adhered previously to the salutary principle of not carrying out arrests, except in the most exceptional of circumstances. Over time, the quality of the CBI leadership and the tribe of proven investigators has witnessed a decline, which has impacted the image of the organisation.

An agency of the government, part of the Ministry of Personnel functioning under the Prime Minister, supervised at one step removed by the Central Vigilance Commission, and constantly under the watch of the Supreme Court, the CBI serves many masters. The choice of Director, following the Vineet Narain case, by a committee headed by the Prime Minister, with the Chief Justice of India and the Leader of Opposition as the other members, has hardly helped the CBI maintain a reputation for independence. The recent unsavoury drama, which witnessed a 'Kilkenny cat fight'

between the Director and his No. 2, reflects the lack of institutional culture in the organisation.

Compounding the situation arising from the lack of trained and competent investigators is the fact that supervisory officers, who come and go, are most often not in a position to provide proper guidance to investigating officers. At times, they also tend to tinker with the investigation reports sent to them, to reject the findings of investigating officers.

A changing work culture

What is worse is that while earlier the CBI used to carry out arrests of so-called accused persons only as a measure of last resort, today it is overturning this on its head. As its investigating officers' skills have declined, it is increasingly resorting to peremptory arrests, often on very slender evidence, in anticipation of securing approvers to build, or strengthen, a case. The law generally disapproves of approver evidence, but this has become the stock in trade of the CBI. In many instances, the CBI has also been resorting to pressure tactics while questioning individuals, even when they are not accused persons, setting aside legal niceties and requirements. In a few instances recently, the CBI has even resorted to intimidatory tactics, taking recourse to a battery of investigators to question a witness. let alone an accused, in the hope of securing useful leads. The recent incident where a posse of CBI personnel went to question the Kolkata Police Commissioner at his residence late in the evening, though he was only a witness, reflects the changing mores of the CBI. This should be a matter of concern for one and all.

M.K. Narayanan is a former National Security Advisor and a former Governor

The Karnataka model of politics

Its Assembly constituency-level leadership can operate independent of a political party



NARENDRA PANI

The repeated confinement of Karnataka MLAs in resorts suggests that the State's elected representatives have to literally be physically prevented from selling themselves to their ideological opponents. Given the moral compass of our elected representatives, it would be foolhardy to rule out this possibility. Yet viewing the State's political events entirely in such commercial terms ignores the larger transition taking place in grassroots politics in Karnataka, one that political parties are struggling to keep pace with.

Rural politics

An often underestimated aspect of Karnataka has been its success with rural decentralisation. Unlike its urban governance, which continues to be dominated by lobbies at multiple levels, from garbage collectors to elite industrialists, the administration of rural Karnataka has a prominent place for its panchayat institutions. Its experiments with decentralisation gathered momentum in the 1980s, well before the 73rd Amendment to the Constitution.

Administrative decentralisation was accompanied by a similar process in the State's rural politics. Unlike some other States, like Kerala, where administrative decentransation has taken place under rather more centralised party control, the process in Karnataka has resulted in a greater opportunity, and hence competition, for local political office. The leaders who emerge from this intense competition are typically more confident of their political roots and are not afraid to make this known in Bengaluru.

The BJP, or more accurately B.S. Yeddyurappa (in picture), was the first to recognise the emergence of Assembly constituency-level leadership which could operate independent of a political party. In his first term as Chief Minister, he launched what has come to be called Operation Lotus. In this operation, an Opposition MLA resigned his seat in the State Assembly and was promptly re-elected as a member of the ruling party. This enabled Mr. Yeddyurappa to convert his minority government into a majority one.

A decade later, the same pro-



cess of decentralisation has worked against the BJP leader. With local competition throwing up even more leaders in each constituency, the number of MLAs who can be confident of re-election has declined. The BIP also needs more MLAs to cross over than it did the last time. But Mr. Yeddyurappa, having previously used the emergence of new local leaders to bring the BJP to power, probably feels he can do it again.

In trying to deal with the new set of previously unknown and ideologically promiscuous leaders, parties in Karnataka have usually fallen back on caste. The Janata Dal (Secular) relies quite heavily on its core base of Vokkaligas. The BJP is relatively more broad-based but takes extra care to protect its Lingayat flock. The Congress strategy is to absorb as many caste groups as possible.

This ensures that caste conflicts are internalised within the party, and the possibility of sabotage at election time in the Congress is probably the highest among the State's parties.

Using caste to net emerging local leaders is also not immune to the pressures of effective political decentralisation. Competition among emerging political leaders exists within castes as well. Taking one leader into a party often means the exit of his opponent from the same caste. In some constituencies, in the 2018 Assembly election, the main candidates were the same but they had exchanged parties.

Battle within castes

What is of greater concern to Karnataka's political parties is that the battle within castes can take on a longer-term ideological colour. This is most evident in the case of Lingayats. The caste has for some decades been under a leadership that would like to take it deeper into the Hindu fold. They tend to treat the 12th century poet-saint Basavanna as no more than an important footnote in the history of the caste. This has been challenged by the historically less privileged sections of Lingayats who see Basavanna as one who challenged the basic tenets of the caste system and hence Hinduism itself. Their demand to treat the followers of Basavanna as belonging to a different religion has become a major bone of contention.

Karnataka's political parties are struggling to come to terms with this division. The conventional wisdom is to pretend it does not exist. The BJP would like see a continuation of the status quo so that Lingayats remain a part of the Hindu community and there is no division in the major support base of the party. The Siddaramaiah-led Congress government supported the case for the followers of Basavanna to be treated as a separate religion. This led his opponents in the party to blame its poor performance in the last election on this decision, though the party did worse in the non-Lingayat regions of coastal and southern Karnata-

The way out of the current confusion of parties running helterskelter to capture 'winning' leaders would be the emergence of a new vision, one that new leaders would gravitate towards. But there is no such vision, or visionary, on the horizon.

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staying the judgment, the

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.

Reservation mania

There seems to be a reservation mania in India ("Rajasthan clears 5% quota for Guijars", Feb. 14). The hope was that with time reservations would be phased out gradually. What is happening is exactly the opposite. Communities have realised that they can get any government to accept their demands. The scant regard for the upper limit mandated by the Supreme Court is highly reprehensible. K.V. SEETHARAMAIAH,

Twist in Parliament It was strange to see the same Mulayam Singh Yadav who had tried to save Muslims in 1990 say that he hopes that Prime Minister

Narendra Modi will come

back to power, even as

chants of 'Jai Shree Ram' rang in the Lok Sabha ("MPs bid adieu amid Mulayam's twist", Feb. 14). Politicians are so unpredictable. I wonder what pushed Mr. Yadav to say this, especially when his son is fighting against the BJP. Are father and son going different ways? His statement undermines the SP's credibility. B. GANGA RAJU,

Setting a precedent M.A. Sneha has taken a

courageous step; hopefully more people will follow suit ("It's official: Tirupattur woman gets 'no caste, no religion' certificate", Feb. 14). Defining nationality is more than enough on official documents; the more barriers we strike down, the better our

SELVAKUMAR A. Chennai **Incitement to violence**

chance of moving towards

an egalitarian society.

The writer is right when he says the verdict is unsustainable ("Dealing with the thought police", Feb. 14). But if individuals are unsatisfied with the state, they can peacefully protest, organise themselves, put pressure on the government to heed their demands, use established laws to seek redress, etc. But isn't holding radical literature dangerous? Where does incitement to violence begin? Every action originates from such ideas. It's not always political compulsion but the need to

keep citizens safe and

secure that makes the state

aggressive at times. KISHOR BANSAL,

I doubt the U.S. Congress will approve the Green New Deal ("A clarion call to combat climate change", Feb. 14). In every country, resolutions that speak

Revolutionary proposal

against racial injustice, economic inequalities and encourage sustainable ways of living are called ridiculous. This is because governments largely serve the interests of corporates. SUKUMARAN C.V.,

Response to a response Contrary to what Subramanian Swamy

argues ("There is nothing to unfetter", Feb. 12) in response to my article, "Ayodhya and the challenge

to equality" (Feb. 7), secularism is deeply relevant to the argument over Ayodhya. Even if the term was introduced as an afterthought in the Constitution, secularism as a principle was inherent in Constituent Assembly debates on religious freedom, equality and the

Equality demands minimally that the state should not take sides in a dispute between religious groups in secular matters such as land ownership. The Supreme Court decision of September 27, 2018 pertains to the acquisition of the land surrounding the site where the Babri Masjid stood, not its final disposition. The Lucknow Bench judgment of 2010 is by no means the final word. In

Supreme Court observed that its partition decree was rather "strange" in that none of the parties had asked for this manner of settlement. While the matter remains under appeal, the Supreme Court's 2002 injunction against a final disposition of the land remains in effect. Finally, neither the Vishwa Hindu Parishad (VHP), nor the Ram Janmabhoomi Nyas has any apparent standing in the matter. The dispute originated over building rights on the Ram Chabutra, part of the patrimony of the Nirmohi Akhara, which has repudiated the claims of the VHP and its affiliates. SUKUMAR MURALIDHARAN.

MORE LETTERS ONLINE