



What's cricket?

The BCCI must take the message from the ICC's course correction on revenue-sharing

The last few months have been a chastening spell for the Board of Control for Cricket in India. The Justice R.M. Lodha reforms punctured the bubble of entitlements that some BCCI officials lived in. Even as the sport's administrators struggled to come to terms with the dictates of the Supreme Court, a big shock wave has emanated from Dubai with the International Cricket Council voting overwhelmingly in favour of changes to its governance and revenue model. All that remains is a formal ratification at the ICC's annual general body meeting in London in June. The decisions of the Dubai meeting effectively negate the BCCI's ambitious move initiated by its then president, N. Srinivasan, in 2014. The proposal had envisaged a "Big Three" governance and revenue-sharing structure that co-opted Cricket Australia and the England and Wales Cricket Board. It offered a maximum of 21% of the ICC's revenue share to the BCCI, contingent on the parent body earning \$3.5 billion. It was mooted against the will of other cricket-playing nations, who are equally dedicated to the game and reluctantly resigned to playing second fiddle on account of their poor finances. In an ironic twist, it was an Indian who broke the monopoly mindset and set the wheels of change in motion.

ICC chairperson Shashank Manohar had first told this newspaper in November 2015, "I don't agree with the three major countries bullying the ICC." The latest episode in Dubai is a validation of his position that cricket cannot be held to ransom by a select few. Many years ago, social theorist Ashis Nandy wrote, "Cricket is an Indian game accidentally discovered by the British." Since then cricket has been recast as a yet more Indian sport. There is no denying that India, its fans and diaspora power the sport's commercial heart. Yet that is no excuse for the BCCI to demand an inordinately large share of the pie or to ram through its own version of the Future Tours Programme. The BCCI's was a lone dissenting voice, and it is a matter of regret that it remains narrowly obsessed with fattening its treasure chest. India needs to strengthen cricket globally, not enfeeble it. For all the talk about the phenomenal popularity of the game in India, cricket is also periodically convulsed with anxiety about the very survival of the Test and one-day international formats. Being cricket's powerhouse may give India more leverage to call the shots – but this clout comes with the responsibility to play a greater role in nurturing and spreading the game worldwide. Even a scaled-down revenue model will yield \$293 million to the BCCI over an eight-year cycle. This is in addition to the Board's other revenue streams, including the profitable Indian Premier League. Dubai has offered a mirror. The BCCI must have a hard think and course-correct its approach to cricket.

In four doses

The first malaria vaccine is cleared for pilot tests, raising hopes about wider use

Beginning next year, the World Health Organisation will begin pilot tests of the injectable malaria vaccine RTS,S (or Mosquirix) on 750,000 children aged 5-17 months in Ghana, Kenya and Malawi. The vaccine has been successfully put through a Phase III trial, in which the drug is tested for safety and efficacy. Any decision on wider use will be taken based on the results of the pilot tests in the three countries. If the vaccine does indeed prove to be ready for large-scale use, it will be a milestone in the fight against malaria. Although the number of cases globally and in the African region came down by 21% between 2010 and 2015, in 2015 itself the number of deaths worldwide on account of the disease was as high as 429,000. According to WHO estimates, Africa accounted for 92% of these deaths, and 90% of the 212 million new cases that year. In such a scenario, even a vaccine with limited benefits could yield a substantial improvement. The vaccine, given in four doses, protects against *Plasmodium falciparum*, which is the most prevalent malaria parasite in Africa. The three countries have been chosen as they have settings with moderate-to-high transmission of malaria and already have in place malaria control programmes such as the use of bed-nets, rapid diagnostic tests and combination therapy. Each country is to decide where precisely to run the pilots.

The first three doses of the vaccine will be administered with a minimum interval of one month between each dose, followed by the fourth dose 15 to 18 months after the third dose. The first dose will be administered at about five months of age and the third dose has to be completed by nine months of age. While the drop-out rate increases as the number of doses increases, the biggest challenge is the fourth dose, which warrants a new immunisation contact to be made 15 to 18 months after the last dose. In Phase III trials, the efficacy of the vaccine was around 30% when children received all the four doses; the vaccine also reduced the most severe cases by a third. But there was a significant drop in these benefits when children did not receive the fourth dose. Given the low protection efficacy of the vaccine even in tightly controlled clinical settings, the pilot tests will be useful in evaluating the likelihood of replicating the immunisation schedule in the context of routine health-care settings. Also, the extent to which the vaccine reduces the all-cause mortality has to be evaluated as this was not "adequately addressed" during the trial. There is, specifically, a need to ascertain if excess cases of meningitis and cerebral malaria seen during the trials are causally related to the vaccination. Unlike other vaccines, the less-than-optimum protection offered by this vaccine would mean that existing malaria intervention measures will have to be used in conjunction to reduce the incidence of the disease.

Learning to run twice as fast

The challenge of the States in achieving a debt ceiling of 20% by 2023 threatens overall fiscal responsibility targets

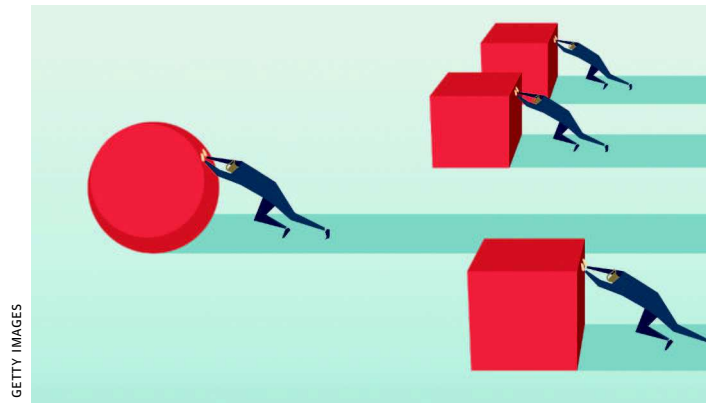


N.K. SINGH

It is no mean achievement that the daunting fiscal deficit target of 3.5% of GDP for the past year was met. Beyond the 3.2% fiscal deficit target for the current year, the government has accepted a 3% target thereafter. Continuing this trend in the future will enable the realisation of the preferred 60% debt-GDP ratio by 2023. The Fiscal Responsibility and Budget Management (FRBM) Review Committee report, now in the public domain, has preferred a debt to GDP ratio of 60% for the general government by 2023, comprising 40% for the Central government and 20% for the State governments. Given the recent track record, there is a reasonable probability of the Central government achieving the 40% debt to GDP ratio. The focus now is on the States. Can they, in partnership with the Central government, enable the near optimum of 60% to be achieved by the terminal date? For international investors and rating agencies, what matters is the fiscal position of the country as a whole. The challenge of States achieving a debt ceiling of 20% by 2023 is undoubtedly Herculean for more reasons than one.

Drag factors for States

First, the best of times, so to say, on fiscal issues may be somewhat behind us. As a 2013 Organisation for Economic Co-operation and Development paper by David Turner and Francesca Spinelli points out, "A key issue in assessing long-run fiscal sustainability is the future trend of the differential between the interest paid to service government debt (r) and the growth rate of the economy (g). For highly indebted countries, an increase in this differential of a couple of percentage points, if sustained, could lead to a change from a declining to an explosive path for the debt-to-



GDP ratio." A negative interest rate-growth differential (i.e. r-g, growth rate greater than the interest rate) causes debt to decline over time. However, the advantages on account of a favourable r-g depend primarily on the level of debt stock. In this context, the Union government, which has larger domestic liabilities of 49.23% of GDP as compared to that of the States (21% of GDP), benefits more due to a negative interest rate-growth differential. The combined debt dynamics necessitate States to run successively lower primary and fiscal deficits just to maintain their combined debt to GDP ratio at the current level. This is a classic case of the Red Queen in Lewis Carroll's *Through the Looking-Glass* saying, "If you want to get somewhere else, you must run at least twice as fast as that!"

Second, the role of exogenous factors in fiscal corrections of the States. Till FY13, fiscal conduct of the States was exemplary, strictly adhering to and even outperforming the targets of the Fiscal Responsibility Legislations (FRLs). No doubt positive externalities facilitated this outcome. Consolidation of Central loans and debt waiver to States based on their fiscal performance effectively reduced their interest payments to about 0.9% of Gross State Domestic Product (GSDP). Given the debt-structuring scheme of the Twelfth Finance Commission (FC), Central relief packages and positive economic scenario, it is difficult to dif-

ferentiate the fiscal correction due to improved management and fiscal discipline.

Third, the recent marked deterioration in fiscal health of the States. The Fourteenth FC enhanced the borrowing limits up to 0.5% of GSDP for the States. This was conditional on debt to GSDP ratio being less than or equal to 25% and/or interest payments being less than or equal to 10% of the revenue receipts in the preceding year. The fact that only six States in FY17 were eligible for enhanced borrowing is indicative of States' decaying fiscal prudence. The recent spate of farm loan waivers is episodic and symptomatic of deteriorating State finances.

The way forward

Given these complexities, what is the way forward? What are the instrumentalities available with the Central government to ensure greater convergence? The most obvious one is the prudent use of powers defined in the Constitution of India under Clause (3) of Article 293. This makes it mandatory for a State to take the Central government's consent for raising any loan if the former owes any outstanding liabilities to the latter. One or two States may indeed reach that position, endangering this constitutional instrumentality of the Central government. It would be interesting to see what happens when States cease to have any outstanding liabilities to the Central government. Recently, the Union

Cabinet has permitted State government entities to directly borrow from bilateral partners for vital infrastructure projects. Incentivising prudent fiscal management is a welcome initiative.

Looking beyond, there must be symmetry between the cost of borrowing and the quality of financial governance. Combined market borrowings have been rising consistently from 18% in FY11 to 28% in FY16. The gross market borrowing of States through State Development Loans (SDLs) increased by a sharp 27% in FY17 from ₹2.9 trillion in FY16. Markets expect this to rise even further by 22% in FY18 consequent upon pay revisions, implementation of Ujwal DISCOM Assurance Yojana (UDAY) and exclusion of State governments from the National Small Savings Fund (NSSF). Risk variations across States are not reflected adequately in the cost of borrowings. This is a major concern. Fiscally healthy States should be enabled to attract higher investments at lower costs.

Two, ushering in transparent accounting practices. It is being increasingly acknowledged that the current stock of State debt at 21% of GDP could be underestimated owing to fallacious budgetary practices and operational intricacies. Off-budget expenditures through State Public Sector Undertakings (PSUs) borrowings and explicit guarantees offered by the States do not form a part of State government liabilities. Private researchers and public auditors alike have been pointing out the growing trend of off-budget public spending and mis-categorisation of budget data. The Comptroller and Auditor General of India (CAG), while appraising States' finances, has repeatedly censured such practices. The Fourteenth Finance Commission's (FFC) recommendation of adopting "a template for collating, analysing and annually reporting the total extended public debt in their respective budgets as a supplement to the budget document" must be implemented.

Three, emphasising quality of expenditure. A recent HSBC report

notes that "quality of state spending (proxied by the ratio of capital to current spending) has been gradually worsening over the past few years". The share of States' revenue expenditure in total expenditure has remained around 80% and States' non-developmental expenditure has risen by over 50% from FY2013 to FY2016. The RBI's latest assessment of State Budgets with the theme, "Quality of Sub-national Public Expenditure", raises the concerns about dominance of revenue expenditure in the States. While the quantum of "untied funds" from the Centre to the States has increased owing to the recommendations of the FFC, expenditure on physical and social infrastructure by the States has remained stagnant. These very concerns were expressed a few days ago at the NITI Aayog meeting of Chief Ministers. While according permission to States to undertake fresh borrowings, their expenditure quality should be a prime condition.

Four, encapsulating 'Fiscal Discipline' in determining inter se tax shares of different States. Fiscal discipline as a criterion for tax devolution was used by Eleventh, Twelfth and Thirteenth Finance Commissions for incentivising the States in prudent management of its finances. However, the FFC dropped this indicator and accommodated 'Population (2011)' and 'Forest Cover' in its devolution formula. Given the deteriorating condition of State finances, the Fifteenth Finance Commission could consider restoring fiscal discipline as a determinant for horizontal devolution of funds.

Borrowing today to pay tomorrow is by no means financially viable for long-term growth. After all Thomas Jefferson had said, "The principle of spending money to be paid by posterity, under the name of funding, is swindling futurity on a large scale."

N.K. Singh is a former Member of Parliament and Chairman, FRBM Committee. The views expressed are personal

We need to question ourselves

Indians cannot convincingly complain about others' racism while keeping quiet about the racism within



KARAN THAPAR

I wonder if Harbhajan Singh knows the English proverb 'a case of the pot calling the kettle black'. I ask because that's the first thought that occurred to me when I read his tweets and heard his interviews criticising a Jet Airways pilot Bernd Hoesslin for allegedly calling an Indian passenger "you bloody Indian" and, reportedly, physically assaulting a lady and a disabled man.

The English aphorism raises the question, what gives you the right to criticise someone when you've been guilty of something similar? By equating the critic with the person being criticised, it suggests he's no better. It also alludes to a certain hypocrisy or double standard.

The Monkeygate saga

In 2008, during a cricket tour of Australia, Harbhajan Singh was ac-

cused of calling Andrew Symonds a "monkey". Even if not in Indian eyes, in Australian this is undoubtedly racist abuse. After a gap of several days, the Indian side claimed Singh had used a similar-sounding Punjabi swear word. The International Cricket Council (ICC) accepted this.

At the time, Sharad Pawar, who was president of the Board of Control for Cricket in India, was quoted to have said that "if the charges are not dropped, the team would come back to India". Many saw this as an attempt to blackmail the ICC into dropping charges. Mr. Pawar also said the Indian side would not accept new evidence against Singh.

Not only was Mr. Pawar roundly criticised for these two statements, it also led some to believe India was using its cricketing muscle and, perhaps, throwing its financial weight to rescue the player.

Justice John Hansen, who wrote the report that settled the matter, said that this had done "serious disservice to the game". As *The Hindu* bluntly put it, Indian cricket "lost goodwill".

That the Indian establishment

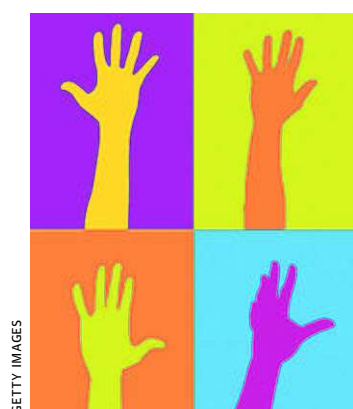
would defend an erring cricket player is, I suppose, not surprising even if it's regrettable. When cricketers are considered national ambassadors, this is bound to happen. But what was truly surprising, utterly wrong, and certainly inexplicable was Mr. Pawar's insistence that "generally Hindustani racist kabhi nahin ho sakti (Indians can't be racist)".

I'm sorry, but that's simply not true. We are, sadly, amongst the most racist people in the world.

Living in denial

As a society we simply don't understand how despicable racism is. Colour consciousness pervades our attitudes, determines our behaviour and has, possibly, become part of our tradition. We see nothing wrong in advertising for fair brides, calling our own citizens from the Northeast and south India names. When challenged, we claim we do not mean to be offensive, that it's only light-hearted banter!

This, no doubt, is why our government refuses to recognise the repeated attacks on Africans as racism. Whilst the African Heads of



Mission called the recent episode in Greater Noida "xenophobic and racial", the Ministry of External Affairs spokesperson insisted it was "a criminal act triggered following the untimely death of a young student under suspicious circumstances". Not only was the government in denial but, worse, it tried to create a link and, therefore, an explanation between the mysterious death of an Indian student and the appalling attack on innocent Africans.

Recently, when Indians in the U.S. were victims of racial assaults,

we angrily questioned President Donald Trump's silence whilst deprecating the rise of racist sentiment in that country. Shortly thereafter, when Africans were attacked in India, we refused to accept it was racism and few complained about the Prime Minister's silence.

How conveniently we forget our own behaviour when we become victims of racism. Not for a moment am I defending the Jet Airways pilot. His alleged behaviour was indefensible and, if proven, must be strongly punished. But this is also a moment to raise questions about ourselves. Can we really complain about other people's racism while continuing to be racist ourselves?

At the least it's moral hypocrisy to complain about the mote in another's eyes while blithely ignoring the beam in your own. This, in a nutshell, is my comment on Harbhajan Singh. Of course, he has the right to draw the Prime Minister's attention to Bernd Hoesslin's alleged behaviour. In fact, we all do. But does he have the moral standing to do so?

Karan Thapar is a veteran broadcast journalist.

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.

AAP's debacle

The Aam Aadmi Party's defeat in the Delhi municipal polls is a blow to Chief Minister Arvind Kejriwal who has been dreaming of expanding the party's base to all parts of the country ("BJP sweeps broom out in Delhi municipal polls", April 27). Mr. Kejriwal should stay put in Delhi and concentrate on governance. Citing electronic voting machines as the reason for losing polls is not good enough. This illusion has obviated the necessity on the part of the party to indulge in introspection, which is what political parties normally do after losses.

K.R. JAYAPRAKASH RAO, Mysuru

Regulating funds

I wish to draw a parallel between the role of political parties and that of non-governmental and religious organisations, now that the Supreme Court has

suggested that the government frame a statutory law to regulate the flow of public money to NGOs ("SC seeks law to regulate NGO funds", April 27). All NGOs and religious organisations work for some cause; similarly, political parties have an ideology. Just as there is a need to monitor the sources of funds for NGOs, the funds of parties should also be scrutinised. The government gives approval to NGOs and religious organisations after ensuring the legitimacy of the cause. At the time of registration, the government could provide a seed fund, open the NGO's account in a chosen bank, and announce that the NGO is free to seek funds from anyone who wishes to support the cause. Funds would be routed only through this account. Can't transparency be ensured this way? The Finance Minister recently said that he supports crowdfunding

of parties. It is high time political parties, NGOs and religious organisations were made accountable.

R. SWARNALATHA, New Delhi

PAN and Aadhaar

Aadhaar is a well-intentioned scheme to plug leakages in welfare schemes, but the concerns associated with it are legitimate and cannot be ignored ("Aadhaar-PAN linkage meant to plug tax leaks, says SC", April 27). Recent instances in several parts of the country point to how leakages have taken place (for instance, with M.S. Dhoni) and show the need to usher in measures that will ensure that Aadhaar data remain secure and free from hacking. The unbridled enthusiasm with which the BJP government at the Centre is promoting Aadhaar without lending its ears to genuine apprehensions raised from several quarters lends

credence to the criticism of it trying to create a surveillance state. While regulating access to welfare schemes through Aadhaar, the government cannot afford to ignore the link between Aadhaar leaks and the emergence of possible frauds in welfare schemes.

M. JEVARAM, Sholavandan, Tamil Nadu

The procedure for linking Aadhaar with PAN online has several glitches at the moment. First, there is a mismatch between names. The sequence of the first, second, and third names in PAN may be in a specific order and that in Aadhaar in another. Aadhaar may contain the initials instead of the expanded names. Sometimes, a message pops up asking for the valid 12-digit Aadhaar number even after it is entered. In all such cases, it would be impossible to link PAN with Aadhaar. The income tax department has to resolve

such issues before declaring any deadline.

P.G. MATHEW, Kochi

An inhuman practice

It is really unfortunate that despite several such reported deaths, the authorities and contractors continue to engage manual scavengers ("Manual scavenger dies due to asphyxiation", April 27). Are not sewage blocks supposed to be cleared by jetting and suction machines as per the law? Why are manual scavengers deployed despite the Supreme Court directing all the States in 2014 to abolish manual scavenging?

R. SAMPATH, Chennai

Protecting the police

The Supreme Court's reinstatement of T.P. Senkumar as Kerala's Director General of Police has brought back the focus on police reforms ("Politics

and the police", April 27). The court thought it could transform the functioning of the police when it urged the States to implement the Model Act circulated by it in 2006. To its chagrin, no State has implemented the reforms in letter and spirit. For the States, compliance with the court's orders meant changes to the Police Act but without insulating the police from the control of the ruling party/dispensation, thereby defeating the very purpose of the court's intervention. It is not far-fetched to assume that political parties have conspired to sabotage police reforms as they want the police to function as per the dictates of the ruling parties. Collaborative political opportunism has trumped judicial far-sightedness.

V.N. MUKUNDARAJAN, Thiruvananthapuram

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