



## GST buoyancy

With collections hitting a record high, the next step should be to simplify the tax regime

The final month of financial year 2018-19 has given the government some reason for cheer. Targets for indirect tax collections may have been missed for the last year, but collections from the Goods and Services Tax in April for economic activity in March scaled a new high. The GST inflows of ₹1,13,865 crore in April are the highest recorded since the tax regime was introduced in July 2017. They represent an increase of over 10% compared to the same month a year ago, and over 15% buoyancy over the average monthly GST collections in 2018-19 of ₹98,114 crore. To be clear, GST revenues have crossed the ₹1 lakh crore mark in March, January and October as well. The government has acknowledged that economic growth did slow down in 2018-19, owing to declining private consumption growth, a tepid increase in fixed investments and muted exports. The hope would be that the latest GST numbers are a harbinger of better growth momentum for 2019-20. The growth rate of the economy fell from 8.2% in the first quarter to 7.1% in the second and 6.6% in the third, so any improvement in the final quarter numbers due at the end of May should provide some succour. Healthier GST collections, if sustained, will also mean less pressure on the Centre to cover its fiscal deficit.

The April GST numbers have come as a surprise to many experts, given the lacklustre economic activity witnessed across many sectors in recent months, which should normally have impacted tax collections adversely. This perplexing trend may be attributed to increasing compliance among businesses amidst the aggressive push by the tax authorities to widen the tax base. GST filings, for instance, were the highest in March this year. However, the April surge has occurred despite a decrease in the total number of GSTR-3B returns filed by businesses, from 75.95 lakh in March to 72.13 lakh in April. In the absence of more disaggregated data, it could be argued that tax rate cuts by the GST Council in December too may have spurred higher volumes for some goods and services. The rush to pay tax arrears at the end of the financial year may have been another seasonal factor contributing to better tax collection during the last month. Enforcement action by the taxman to collect more revenue from registered taxpayers who have not been filing returns could be yet another factor. It is still too early to assume that this is the beginning of a secular trend. One must not lose sight of the need for further simplification of the GST regime once the election season is over. A significant number of businesses have already been brought into the tax net since the advent of the GST. In order to encourage greater compliance, there must be efforts to make it easier for small firms to remain in the tax net by cutting down the time and energy required to fill myriad tax returns. A nudge would be preferable to the stick.

## Spanish steps

Election results give Pedro Sanchez an opportunity to deepen centre-left politics

A convincing victory for the Socialist party (PSOE) in Spain's general election on Sunday has dealt a blow to the prospect of a rightwing coalition with the far-right Vox. The verdict is a personal triumph for Prime Minister Pedro Sánchez, who failed to save his minority government in February despite having regained the party leadership. The PSOE is short of the 176 required for a governing majority. Yet, it is in some ways spoilt for choice: it can either enter into a formal alliance or rule on its own. Mr. Sánchez can count on issue-based support. Encouragingly, the anti-capitalist Podemos has indicated a readiness to work in a PSOE-led coalition. It had nurtured ambitions of overtaking the PSOE as the principal force on the political left after the 2015 elections, but now its current stance stems from what it sees as a larger role to isolate the conservatives and the far-right. The chances of the liberal Ciudadanos supporting the PSOE are remote, as the former seems set on replacing the conservative Popular Party as Spain's main centre-right alternative. In any case, Ciudadanos's more recent proclivity to cohabit in a coalition with the Vox may not go down well with the PSOE rank and file. Collaboration with the Catalan secessionists would be equally hard. They had in February joined the Opposition to vote out Mr. Sánchez's government, which insisted on negotiating a settlement within the framework of the Constitution. One of the parties has demanded a second Catalan referendum and the withdrawal of the sedition trial against separatist leaders as a condition for supporting Mr. Sánchez again.

The victory in Spain is the latest in a string of successes for social democrats in the European Union, since the xenophobic backlash in many countries after Germany welcomed about a million Syrian refugees in 2015. Yet, the unfolding political fragmentation and the erosion of two-party dominance across Europe also means these gains cannot be exaggerated. As voters in the 28-nation bloc brace themselves to elect a parliament this month, this new reality could become more manifest. Halting the populist surge – as exemplified in Britain's vote to leave the EU – opposed to freedom of movement and closer European integration is their biggest challenge. Centrist forces have responded to the extremist threat by leaning either too much to the left or to the right, hollowing out the middle ground. Such pandering to populists has cost them dearly. It is time moderate parties abandoned this perilous course. The near-unambiguity of Mr. Sánchez's latest mandate is the envy of most governments around Europe. Having been handed one, he must ensure a full term in office, something that has eluded Spain for some years.

# The essence of democracy

What the candidature of Pragma Singh Thakur reveals about the BJP's election campaign



GOPALKRISHNA GANDHI

What does Sir William Garrow (1760-1840) have to do with the elections now under way in India? The well-known and much-invoked phrase "innocent until proven guilty" was coined by that British barrister in the course of a 1791 trial at the Old Bailey. He turned the tables on legal practice at that trial by saying that the accusers, not those accused, must be tested, made to establish and prove their accusation in court. The English Court of Appeal in 1935 described Sir William's concept as the "golden thread" connecting the burden of proof and the presumption of innocence "within the web of English criminal law".

### The report card

And that connects Sir William with the Indian polls directly. The National Election Watch is a grouping of NGOs and others working for transparency and accountability in elections. The Association for Democratic Reforms (ADR) is a non-partisan NGO working for electoral and political reforms. They have given us telling statistics for four out of the seven phases of elections that have taken place so far. In the first phase of the elections, 17% of the candidates had criminal cases pending against them. In the second phase, the figure went down marginally to 16%. In the third phase, with the largest number of seats in any phase, the percentage of candidates figuring in criminal cases

climbed to 21%. In two-thirds of these, the accused have been charged for serious offences like rape, attempt to murder, and murder. In the fourth phase, the last one held so far, according to ADR, a total of 210 candidates faced criminal charges, with 158 being "serious". Five candidates had declared cases related to murder, 24 related to attempt to murder, 4 to kidnapping, 21 to crimes against women, and 16 candidates to hate speech. The phenomenon is not peculiar to any one party. The BJP, Congress, BSP, and the Shiv Sena have fielded criminally charged candidates, the BJP being on top of the scale numerically. Even some independent candidates are criminally charged.

The numbers in the three phases remaining are not likely to be very different. Around 20% of all the candidates in the seven phases, it may be, will be candidates with one criminal charge or another pending against them.

Sir William would have exclaimed, "That does not matter; they may all be found to be innocent!" They will may. Also, they may be the ones who get defeated. On the other hand, studies have shown that those with criminal records (muscle power) plus a seemingly unlimited power of spending (money power) have a distinctly higher chance of succeeding over those with just one of those 'powers' and over those who have neither. So, some of these this time round may well get elected, their dates in court rubbing shoulders with their dates in and with Parliament. And business will be as usual for them, with Garrowian logic and ethics and the notion that many, if not most, of these cases are 'politically foisted' winning the day. The Election Commission has asked for an amend-



ment to the Representation of the People Act to bar, with some caveats, those charged with criminal offences from contesting. But after hearing the matter, the Supreme Court declined, in 2018, to enter this area, 'leaving the decision on criminal netas on Parliament'.

### Illiberal intent

It is precisely this 'liberal' arrangement that the most illiberal take advantage of. It is exactly this democratic legerdemain that the most undemocratic occupy. It is this very legal latitude that the most law-disdaining use, abuse.

Mitesh Patel is perfectly entitled under the law to contest from the Anand seat in Gujarat. And we should grant him the presumption of innocence. Whatever else he may be accused of, he cannot be accused of hiding anything. He has declared in his poll affidavit that he was an accused in the 2002 post-Godhra riots, that an FIR was registered against him in Anand district in 2002 for engaging in arson, rioting, stone-pelting and theft, among other charges. And, he has declared, he was booked under Indian Penal Code Sections 147 (rioting) 148 (rioting, armed with deadly weapon), 436 (arson), 332 (causing hurt to deter public servant), 143 (unlawful assembly) and 380 (theft). He may well be found to be innocent of all these crimes.

The point, however, is not that.

The point is that the Anand Sessions Court acquitted him in 2010. Sir William, there you go! But the matter does not end there. The Government of Gujarat, yes, the BJP Government of Gujarat, acting with amazing rectitude and objectivity, filed an appeal in 2011 against his acquittal. (We shall not go into how it could not have but done so.) So, the charge has not gone away. On the one hand, the BJP government appeals against his acquittal, on the other the BJP gives him a ticket to contest from Anand. Perfectly legal, of course. Consistent with liberal, democratic nostrums. But what about the ethics of it? Eth... what? What in 'Elections 2019' is that?

### The case of Pragma Thakur

As I am sure with millions of others, when I heard of Pragma Singh Thakur's candidature from Bhopal, I had but one thought: Malegaon, 2008. We know she is an accused in the 2008 Malegaon bombings, was granted bail following the dropping of charges by the National Investigation Agency and is currently under trial for multiple charges in terms of the Unlawful Activities (Prevention) Act. Technically, she can contest. Technically, she is as yet 'innocent'. Technically, no one can fault her or the BJP for making her its chosen candidate from Bhopal.

But what does her candidature, of Mitesh Patel, and of others, say of the party that has selected them? Why, from so many hopeful applicants for tickets, have they been favoured? Because they can deliver a very particular electoral product. They can deliver polarised victories. Pragma Singh Thakur's comments on Hemant Karkare, the valiant police officer who was martyred in the Mumbai terror attack known as '26/11', do not

bear repetition. They belong to the world of curses, hoodoo, jinxes, 'the evil eye', not to the world of rational humanity. And though the BJP 'has distanced' itself from those comments, it has remained as near as near can be to her candidacy.

Narendra Modi is a candidate from the temple-town of Varanasi, Amit Shah from the heart-core of the Gujarat riots, Ahmedabad. One is the BJP's leader, the other its president. Yet, it is not these two leaders but the two candidates "presumed innocent till proven guilty" who represent the face, mind and heart of the party that seeks India's mandate to govern its one billion people. Face, mind and heart are incomplete without a soul.

Where is that to come from? From our deepest feelings as a people. We are not at war. But 20 years ago, in 1999, we were: the Kargil War. Our soldiers became the soul of the country. In any war, they become that. It so happened, by the inexorable calendar of parliamentary democracies, that elections had to be, and were, announced, right in the middle of that war. Then-Prime Minister Atal Bihari Vajpayee kept the war and his election campaign distinct. BJP registers will show anyone interested in history that at a political meeting in Haryana when he noticed photographs of our defence chiefs displayed in the backdrop, he said, 'No, this is not proper.' And the arrangement was rectified.

Not proper, not done. That is what ethics are about. Not presumptions of innocence till proven guilty, but presumptions of intention that need no proving.

Gopal Krishna Gandhi is a former administrator, diplomat and governor

# An image makeover of the Belt and Road Initiative

India's attitude has to be set in the larger picture of the relationship with China



P.S. RAGHAVAN

As the Second Belt and Road Forum (BRF), reviewing progress of the Belt and Road Initiative (BRI), concluded in Beijing on April 27, China had reason to be satisfied. The summit segment was attended by 37 heads of state or government. The list included strategic partner Russia and almost all from Central and Southeast Asia, two important areas of BRI operation.

If the attendance from South Asia was somewhat disappointing (only Pakistan and Nepal at the leaders' level), South Asian countries, except India and Bhutan, joined various initiatives launched at the forum. The east coast of Africa, which is on the Maritime Silk Road, sent five leaders. Particularly in the context of recent U.S. tirades against the "predatory economics" of the BRI, it was significant that nine European leaders attended, including seven from the European Union. Japanese Prime Minister Shinzo Abe sent a special envoy, conveying that the BRI "is a grand vision with great potential". The UN Secretary General and IMF Managing Director were in attendance, the latter extolling the BRI's achievements, "from stimulating infrastructure investment to developing new global supply chains". China claimed

participation from 150 countries at the forum, which included a CEO conference, where agreements worth \$64 billion were signed.

### Litany of complaints

The Chinese leadership claimed the attendance rebutted allegations that BRI is a geopolitical tool and exploitative "debt trap" driving countries into dependence on China. It would be more realistic to see it as indicating China's economic clout and the desire of most countries to hedge their bets in the current turbulence in great power relations. Concerns about the viability of BRI projects have not dissolved; it is just that immediate benefits sometimes obscure the direness of future consequences.

Over the years, the structure and implementation of the BRI have attracted negative comment, including from some of the countries represented at the forum. There is a litany of complaints: that projects are selected as per Chinese priorities, with inadequate consultation with recipients; terms are agreed bilaterally and non-transparently with the leadership, and benefits do not trickle down to the population; contracts go to Chinese companies, are implemented by Chinese labour, with raw materials and products from China; most projects are over-valued and economically unviable; most financing is by Chinese loans on unrealistic terms, leading eventually to "debt traps"; foreign companies and private investment are spurned; corruption flourishes in the absence of transparency, labour laws are flouted and environ-



mental compliance is lax. Above all, the BRI exhibits China's geostrategic ambition for economic dominance and political hegemony.

### China promises a makeover

President Xi Jinping's speeches and the final forum communiqué silenced this criticism by promising a total makeover of the BRI. They declared that it will be guided by extensive consultation, joint contribution and shared benefits. Cooperation should be transparent, people-centric, green and clean, with zero tolerance for corruption. Project evaluation, tendering, bidding and implementation would meet international standards. The right of participating countries to define their developmental priorities would be respected, as also their laws, sovereignty and territorial integrity. Foreign investment would be welcomed. Economic, social, fiscal and environmental sustainability of projects should be ensured, with emphasis on debt sustainability. In short, it was a promise to transform the BRI, in one fell swoop, from all that it was into all that it should have been. The question is how this rhetoric will translate into action.

The other remarkable feature was the launch of the "Belt and Road" as an overarching framework for bilateral and plurilateral cooperation. China announced a clutch of "Belt and Road" scholarships, training courses and exchange programmes. Groups of countries launched cooperation mechanisms for ports administration, accounting standards, tax administration, banking, intellectual property, sustainable cities, energy and dispute settlement, among many others. Some of these mechanisms were facilitated by UN agencies. China listed 283 "deliverables" from the forum, comprising Chinese initiatives, bilateral and multilateral agreements, investment projects and financing arrangements. The message was the BRI is now more than a bunch of Chinese infrastructure projects; it is truly a "community of common destiny" (as Mr. Xi termed it in 2017) to reshape global governance – a sort of G-150, promoting multilateralism, globalisation, development and human rights, whose members could forge plurilateral cooperation under its umbrella.

All in all, it was a show of China's self-confidence about its place in the world at a time of churn in global politics. The U.S. absence was barely mentioned, nor did the shadow of the increasingly strident U.S. campaign against China's "militarism", "predatory economics" and "technology theft" intrude into the bonhomie of forum proceedings. India's absence was gracefully handled, with the Chinese Foreign Minister confirm-

ing that it would not affect the ongoing high-level India-China dialogue.

An important – potentially the most impactful – initiative of the BRI has gone relatively unnoticed. Mr. Xi announced in 2017 that it would enhance digital connectivity and integration of big data to build the "digital silk road of the 21st century". Digital connectivity infrastructure is to be built in tandem with physical connectivity. This arouses U.S. (and wider) concerns that with its lead in 5G network technology and deep pockets, China will establish dominance of its 5G standards and equipment in Eurasia and beyond. The sudden image makeover of the BRI may well be intended to open up a more accommodating attitude to this technology insertion.

### India and the BRI

The debate in India about whether or not we should join the BRI will probably be reignited in the wake of its new avatar. The opposition to the China-Pakistan Economic Corridor determined absence at the forum. There is no specific opportunity for India in any other element of the BRI. India's attitude to it has to be set in the larger picture of the relationship with China, which combines a strong economic partnership with major strategic challenges, further complicated by the global geopolitical flux.

P.S. Raghavan, a former diplomat, is Chairman of the National Security Advisory Board. Views are personal

## 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.

### A rap on the knuckles

It is a shame that the Supreme Court has to direct the Election Commission to do its job ("Decide on Modi, Amit Shah 'hate speeches' by May 6, SC tells EC," May 3). This clearly shows that the EC has failed to combat hate speeches by leaders, for reasons unknown to us. The country needs a dynamic and unbiased Election Commission. As Chief Election Commissioner, T.N. Seshan did a stellar job of reforming the election process in India.

KSHIRASAGARA BALAJI RAO, Hyderabad

Who knew that the political discourse would come to such a low that politicians would use martyrs to gain political mileage in the name of nationalism? Vote-hungry politicians will never be able to feel the agony that families of martyrs suffer. Unfortunately, the Chief Election Commissioner seems to be a mute spectator to this shoddy electioneering. I hope voters understand that hate is being whipped up by these politicians. The failure of the EC to stem this rot is very sad.

BRJ B. GOVAL, Ludhiana

The EC was once a tall entity. If it had demonstrated its credibility in attending to violations of the Model Code of Conduct by parties and candidates with visible fairness and promptness, people would not view EVMs with such suspicion.

R. NARAYANAN, Navi Mumbai

### Double standards

The fear of defeat is what prompted the Congress to keep Priyanka Gandhi Vadra out of the Varanasi contest ("Priyanka's U-turn in U.P.," May 3). The writer has said that the party's moves will help consolidate

the Muslim votes in favour of the gathbandhan. When the Muslim votes consolidate in favour of the gathbandhan alliance, it is seen as a consolidation of secular forces. However, if the majority community's votes are in favour of the BJP, it is often termed as consolidation of communal forces. Why such double standards?

C.G. KURIAKOSE, Kothamangalam

### What is climate change?

The need to resolve the day-to-day issues faced by the common man has pushed to the background the urgent need of tackling

climate change ("Is India doing enough to combat climate change?" May 3). The problem in India is that the dangers of climate change are not yet known to the common people. Efforts need to be made to educate the common man

about its dangers, and about how climate change is linked to everyday issues, rather than discuss it only at an academic level.

V. SUBRAMANIAN, Chennai

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

**CORRECTIONS & CLARIFICATIONS:** >>>An Election-2019 page story titled "Bahraich reveals communal and political faultlines of U.P." (May 3, 2019) erroneously said the OBCs and non-Jatav OBCs were largely behind Mr. Modi across the constituency. It should have been the OBCs and non-Jatav Dalits.

>>>A Business page story titled "An app to manage diabetes" (May 3, 2019) had a misspelling. The name of the app should be mySugr - not mySuger.

It is the policy of The Hindu to correct significant errors as soon as possible. Please specify the edition (place of publication), date and page. The Readers' Editor's office can be contacted by Telephone: +91-44-28418297/28576300 (11 a.m. to 5 p.m., Monday to Friday); Fax: +91-44-28552963; E-mail: readerseditor@thehindu.co.in; Mail: Readers' Editor, The Hindu, Kasturba Buildings, 859 & 860 Anna Salai, Chennai 600 002, India. All communication must carry the full postal address and telephone number. No personal visits. The Terms of Reference for the Readers' Editor are on www.thehindu.com