



Space for a cut

The RBI reduces the policy rate while flagging multiple concerns on the economy

By cutting the policy repo rate by 25 basis points, the Reserve Bank of India has opted to play safe while nominally acceding to the clamour for softer lending rates. The Monetary Policy Committee's majority decision (one member voted to keep rates unchanged, while another wanted a deeper cut) hinged on its observation that some "upside risks to inflation have either reduced or not materialised", opening up "some space" for accommodation. Specifically, the bimonthly policy statement refers to the significant slowdown over the past three months in core inflation – retail price gains excluding those for food and fuel. It notes that the monsoon has so far been normal, and the initial roll-out of GST has been "smooth". Yet, the six-member panel has chosen to retain the "neutral" stance, given that it expects the trajectory of inflation to rise from current lows amid a welter of uncertainties. The factors deterring a more abidingly benign view for the path that prices are likely to traverse bear repeating, given the inflation-targeting remit handed to the MPC: the RBI's statement does just that. A conclusive separation of "transitory and structural factors" impacting price gains remains elusive. Prices of inflation-sensitive tomatoes and onions are spiking. Pressures may be building that could spur higher animal protein costs for consumers. The implementation of farm loan waivers by States and the "tail risk" that the fiscally expansive measures could pose to long-term price stability that RBI Deputy Governor Viral Acharya referred to in June, continue to be germane. And there is no clarity on whether and when State governments will implement salary and allowance increases following the Centre's implementation of the seventh pay panel-related hikes.

The MPC acknowledges there are moderating forces at work – a second successive normal monsoon that could check food costs and a stable international commodity price outlook – that could help keep the inflation trajectory favourable. On economic activity, the RBI has flagged multiple concerns. A poll of business sentiment in the manufacturing sector shows respondents expect a moderation in July-September from the preceding quarter. Also, the high levels of stress that continue to be reflected in the balance sheets of both lenders and corporate borrowers presage the unlikelihood of any uptick in new investment. With the underlying impulses for growth in industry and services weakening, the onus is now on the Centre and the States to take enabling steps, through policy measures and directed fiscal actions, to give a thrust for the revival of private investment. Surely, as Mr. Acharya cautioned in June, it will serve nobody's interests if the rate reduction doesn't have "the desired amplifier effects on the economy" and ends up only temporarily masking the true problems in the banking and real sectors.

Contested polls

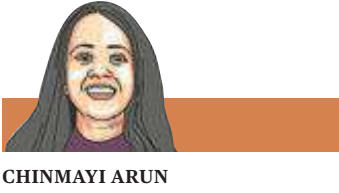
Elections to a new Constituent Assembly in Venezuela lack legitimacy

After months of political protests and government crackdowns, Venezuela held elections to a new Constituent Assembly to rewrite the Constitution. President Nicolás Maduro claims the new assembly was required to calm the unrest that has beset Venezuela amid an economic contraction and runaway inflation. But the opposition boycotted the polls to the assembly, which it says is being convened to overhaul the powers of the elected National Assembly where the opposition parties enjoy a two-thirds majority after electoral victories in December 2015. The Constituent Assembly was announced by decree by the government. It said that nearly 41.5% of the registered electorate voted in the polls, a figure the opposition contests. The need for a Constituent Assembly to address the crisis seems unclear. Venezuela had last elected one in 1999 following a referendum during former President Hugo Chávez's first term. That vote had overwhelmingly backed a new Constituent Assembly to enable the transition of Venezuela's political system from the Fourth Republic to the Bolivarian Republic. The creation of the Bolivarian Republic was claimed to be a decisive step away from *Puntofijismo*, a pact among dominant political parties to install a formal liberal democratic order that limited political competition and was seen to rig economic policy in favour of the elite.

Among the outcomes of the constitution-writing process in 1999 were an extension of the term limit of the presidency, assured representation for marginalised indigenous groups in the National Assembly and conversion of the bicameral legislature into a unicameral body. President Chávez's redistributionist economic agenda relied heavily on the income generated by the nationalised petroleum industry. In the boom years, this may have lifted some sections of Venezuelans from poverty and provided a measure of education and health care, helping the ruling United Socialist Party of Venezuela (PSUV) consolidate its hold on power. However, the spree of reckless spending and a failure to diversify the economy resulted in a severe economic crisis once oil prices started falling. Mr. Maduro has struggled to manage the political fallout of the economic contraction – by some estimates, by a third in the past four years. The government continues to count on the promise of a commodity boom in the extraction industry, but the upturn in global oil prices has not been enough to spark an economic revival. The persisting unrest has weakened support to the regime. A strengthened opposition, even with key leaders placed under arrest, has sought to use this to delegitimise the PSUV's rule and seek fresh elections. Mr. Maduro's attempt to consolidate power through the new Constituent Assembly lacks legitimacy and may not heal the democratic rupture.

A judgment for the ages

The Supreme Court must define the contours of the right to privacy in a way that doesn't undo it



The government has pushed the Supreme Court into a dangerous exercise: drawing the boundaries of the right to privacy. It has set the bar so low that almost any ruling by the Supreme Court will be celebrated if it pays lip service to the right to privacy. However, as history has shown us, badly drawn contours will permit the government to exploit our rights for decades. Public debate needs to rise above the government's low bar and engage with the more nuanced questions.

This piece begins with addressing the argument that the right to privacy is an alien western idea, and explains why the right to privacy is necessary in India. It then addresses the government's suggestion that the right to privacy can be replaced by a data protection act, by detailing how a data protection statute is much weaker than the fundamental right to privacy. It then addresses the third popular and fallacious question of why we need a right against our own government when we are happy to share our private data with foreign Web-based platforms.

India and the right to privacy

After dispensing with the questions that are distracting citizens from the real issue in this case, this piece discusses the contours of the right to privacy. It argues that they must be reinforced on a case-by-case basis in this unpredictable information age. Anything less will render the increasingly critical human right to privacy meaningless.

It is easy in a crowded country,



where the feudal family structure prevails, to argue that we do not believe in privacy. This is not true. Indian cultural norms have their unique ways of protecting privacy. Additionally, when we became a democracy, we adopted certain constitutional safeguards. These safeguards include many rights derided as alien western imports – the rights to speech, equality, liberty and privacy. To shrug them off would be to shrug off democracy.

We are not the only nation to struggle with what seems like an unfamiliar human right to privacy. Although elements of privacy, such as restrictions on the searching of homes, were in national constitutions, the right to privacy as a whole was not articulated in them. This articulation of right was recognised as an international human right in the Universal Declaration of Human Rights before it found its way to the national level. If the phrase is new to us, it is new to everyone. Democracies have adopted it because it is essential to preserving the balance of power between governments and citizens, as governments access information technology and big data.

The government has offered to

Why it's a fundamental right

A data protection statute is flimsy in comparison to a fundamental right to privacy. It can be repealed or amended, and other laws can be written to prevail over it. The government can exempt itself so that we have rights against private companies but not against the government. In contrast, the fundamental right to privacy cannot be taken away or undermined by the government: every law and every action threatening that right can be challenged before the judiciary. If we have a strong fundamental right, the government will never be able to give itself the power to go through our emails, search engine history, cupboards, pockets or texts without having to justify its intrusions and searches to the judiciary.

We have never needed a fundamental right to privacy more. The government is monitoring citizens closely, interlinking databases from transport and bank accounts

How to curb 'invisible money'

Reforms suggested by the Election and Law Commissions must be given a chance



The statement by Union Finance Minister Arun Jaitley recently that the Election Commission has failed to curb 'invisible money' in polls is remarkable. It is unusual for a senior Minister to make adverse remarks against a constitutional body in public. However, there are factual problems with his statement.

The Election Commission (EC) works in accordance with Article 324 of the Constitution of India, the Representation of the People Act (RP Act), 1951 and the rules framed by the government thereunder, and various judgments of the Supreme Court and High Courts. The power to frame rules under the RP Act has not been given to the EC by successive governments, which includes the current one.

Action and reaction

Most of the reform proposals by the EC have not been acted upon. It sent 22 proposals in 2004. In December 2016, it sent 47 proposals including those for "Election expenses and election petitions", "Election campaign and advertisements", and "Reforms relating to political parties". The government's actions, if any, are not avail-

able in the public domain.

There are instances where the EC has recommended the same reform repeatedly only to have it rejected. There are also instances where the Supreme Court has directed reforms in its decisions, with the government and Parliament attempting to amend laws to prevent implementation of the judgments.

Now to the electoral bonds the Finance Minister was referring to. To what extent these bonds will make 'invisible money' visible was explained by him after he presented the Budget. In the media interaction, he said: "These bonds will be bearer in character to keep the donor anonymous." Since the reference to electoral bonds in the Budget speech was under the heading "Transparency in Electoral Funding", it led some commentators to ask whether 'transparency' and 'anonymity' are the same. Given his statement on the EC, it appears as if 'anonymity' is expected to increase 'visibility'.

The other significant proposals that the Budget made were (a) to remove the limit of 7.5% on profits that a company can donate to a political party, and (b) to remove the requirement that the company making a donation to a political party disclose the name of the party and the amount donated. Whether these two proposals will reduce 'invisibility' or increase it is best left to a readers' judgment.

The Minister also said, "I asked political parties, both orally in Parliament and in writing, to offer a



better suggestion to me... not one has come forward to date because people are quite satisfied in the existing system."

It should be obvious that political parties will have no objection to the electoral bonds system as it allows them to raise money with 'anonymity'. But it is interesting that the Minister should ask this question to parties which stand to lose 'invisible money' if it is eliminated. So who else can or should the Minister ask? Logically, it is the Election Commission and the Law Commission of India which have both applied their minds to the issue repeatedly.

It must be noted that the outgoing Chief Election Commissioner had expressed misgivings about electoral bonds.

The Law Commission studied the issue in 1998-99 and presented its comprehensive assessment and

to school enrolment and mobile phone connections. Recent news suggests that it will be adding data from our social media accounts to this. The consequences are terrifying. Interlinked databases can lead to comprehensive discrimination such that HIV-positive people, people with mental illness, terminal illnesses, divorces or marginalised community backgrounds are denied jobs, homes and medical care. At its worst, unrestricted monitoring of citizens can lead to identification and suppression of dissent in a manner reminiscent of Stasi Germany. With no independent information and no dissent, there is no democracy.

The argument that government access to our personal information is justified because Facebook has it anyway is fallacious. Neither entity should have unrestricted access to this information. Governments are currently far more powerful than Facebook, with their control of the police, the army and other instruments of force, which is why human rights protect us from government power. However as online platforms amass power and influence, they pose a potential threat to human rights. Work is being done on ways to hold them also accountable.

Contours of privacy

The potential contours of the right to privacy are really the critical question in the case before the Supreme Court. The court must guard against upholding the right but defining its contours in a way that undoes it. This was the court's big mistake in its phone-tapping judgment, where it created such an ineffective oversight mechanism that it might as well have permitted the government to tap phones at will.

There is no need to create new limits for the right to privacy if the Supreme Court rules that it may be

read into the rights to life, liberty and speech as it has in the past, or read into any other fundamental right in the future. The judiciary can then continue applying the existing grounds of restriction from the Constitution.

If the Supreme Court is to rule in a truly meaningful way this time, it will need to define the right to privacy in a manner that makes it difficult to undermine. It can outline the core of this right with examples, to ensure that privacy jurisprudence moves forward, not backwards. It can articulate clearly what cannot be excluded from the purview of the right to privacy, such as surveillance of communication, access to personal data, publication of personal information and the interlinking of databases of personal information.

But most importantly, the court can acknowledge that it is impossible for judges in 2017 to comprehend the future threats to the right to privacy that technology will invent; it can give future Supreme Court judges the power to use its privacy principles to adjudicate these cases.

Future judges will be confronted with the Internet of Things, big data, bio-hacking, algorithms and potentially even artificial intelligence, and a country in which a citizen is monitored down to her heartbeat. Technology is already able to predict our moods, political leanings, retail preferences, relationships and medical condition with eerie efficiency. This will only escalate. If we, the citizens of India, want to hold on to our power and agency, we will need the right to privacy to guard against this invasiveness.

Chinmayi Arun is Executive Director, Centre for Communication Governance at National Law University, Delhi, and Faculty Associate of the Berkman Centre at Harvard University

Commission (CIC) had said in a full bench decision in June 2013 that six national political parties were indeed 'public authorities' under the RTI Act as they fulfilled all conditions specified in Section 2(h) of the RTI Act which defines 'public authority'.

Despite the June 2013 decision, these parties, including the ruling party now, refused to accept RTI applications, blatantly defying the unanimous decision of a full bench of the highest statutory authority to implement a law passed unanimously by Parliament. They did not even deign to respond to notices by the CIC, of non-compliance. Another full bench of the CIC expressed its inability to get its own "legally correct" decision implemented. It also referred to it as "an unusual case of wilful non-compliance".

When a petition was filed in the Supreme Court to get the decision of the CIC implemented, the government said in a sworn affidavit submitted to the Supreme Court that political parties should not be under the purview of the RTI Act. The petition is still pending in the Supreme Court.

The stand of the government in the Supreme Court is further evidence of what the government is not willing to do.

Jagdeep S. Chhokar is a former Professor, Dean, and Director in-charge of the Indian Institute of Management, Ahmedabad. The views expressed are personal

science communicator and educator. During the Janata regime in the late 1970s, he conceptualised a "method of science exhibition", a bracing presentation by scientists, thinkers, and artists of the purpose and discipline of scientific endeavour and indeed of knowledge itself. It was brutally destroyed in the dead of night in the nation's capital by chauvinists and obscurantists. A pointer to the challenges facing science in India, the incident was brought to the attention of the International Council of Scientific Unions.

VASANTHA SURYA, Noida, Uttar Pradesh

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.

Another wicket

Arvind Panagariya's is the third high-profile exit under the Modi government after Reserve Bank Governor Raghuram Rajan and Attorney General Mukul Rohatgi ("Arvind Panagariya resigns as NITI Aayog vice chairman", August 2). Mr. Panagariya's departure is intriguing as he was handpicked by Mr. Modi and seen as an ardent supporter of the "Gujarat model" of development. The series of measures in the economic and banking sectors, not to mention social and educational reforms, he spearheaded were different though it led to criticism that he was agenda-driven – pro-corporate, anti-farmer and anti-labour.

GANAPATHI BHAT, Akola, Maharashtra

A safety net

The government now may boast of having a clean and corruption-free administration. However,

the move to push the amendment to the Whistle Blowers Act would prove to be a blow against efforts to expose wrongdoings. In most departments, decisions are taken arbitrarily and in complete opacity in order to serve vested interests. Resorting to obtaining information from the RTI serves no purpose now as those in the department concerned don't answer the query effectively. The Upper House should discuss the Bill with utmost sincerity taking into account the need to protect a whistle-blower ("Don't shoot the messenger", August 1).

GAGAN PRATAP SINGH, Noida, Uttar Pradesh

MP salaries

BJP Lok Sabha MP Varun Gandhi has spoken aloud what many of us think when he says that Members of Parliament must not hike their salaries themselves but accept the decision of a

statutory body appointed to consider this. Most of our lawmakers are well-to-do and privy to a series of privileges – perks such as air and train travel, phone calls, accommodation. In fact, they must ponder over the point that people entering politics must serve the nation with only a token salary. Varun Gandhi should have also raised the point about the need for MPs and MLAs getting lifetime pensions. Given that Mr. Modi wanted well-to-do LPG users to give up the gas subsidy, he should ask our lawmakers too to reconsider their demand.

BARU RAJENDRA PRASAD, Hyderabad

NEET mishandled

The lack of courage to face the Centre politically and legally on the issue of NEET, which is resulting in disappointment for those aspiring to enter medical college this year, is a blot on

the AIADMK-led Tamil Nadu government (Editorial – "A clear failure", August 2). No argument will wash the basically flawed stand by the Centre that CBSE-centric knowledge alone will ensure merit in admission to medical colleges throughout the country. When students are allowed to select different boards, to impose on them the CBSE syllabus defies logic.

K. NATARAJAN, Madurai

■ Apart from promoting mediocrity, the move by the State government to secure exemption for State board students from the NEET entrance examination also has the grave potential of alienating the State further from the mainstream. It already suffers in terms of lagging behind in industrial growth, employment opportunities, quality of education and the like – a huge slide from its once exalted position. It is

evident that students from the State are unable to compete with their all-India counterparts. There should be no compromise on the quality of education and its capacity to equip students of the State to claim a share in national development. The narrow and parochial outlook of State politicians, with only votes in mind, may fetch them short-term benefits, but students should be able to see through the game.

R.V. EASWAR, New Delhi

Man of science

Scientific temper was a core value which P.M. Bhargava lived by, not only as a scientist and builder of institutions but also as a

CORRECTIONS & CLARIFICATIONS:

A report headlined "Modi to meet missing party MPs" (August 2, 2017) erroneously said the BJP president, Amit Shah, had asked for written explanations from the 13 BJP MLAs who were absent when a voting was on in the Upper House. It should have been 13 BJP MPs.

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