

# Nitin Gadkari is right

India needs the new Motor Vehicles Act

ALLAN LASRADO

It is unlikely but not inconceivable that some day, Indians will watch a late evening television address by their Dear Leader telling them that at the stroke of the midnight hour, when the world sleeps, they will have to start driving on the right side of the road.

Perhaps, this shift will come about because the Communists would have been toppled from power in Kerala, and the road will be perceived to be the last bastion of the Left.

Or it could be because our automakers, in the face of dwindling sales, focus on exports. And with most countries in the world (excepting some former British colonies, Thailand and that tough export market, Japan) driving on the right, production may focus solely on churning out left-hand drives. That may leave the government of the day no choice but to decree that the country as a whole shift to driving on the right.

Jokes apart, whether they drive on the left or the right side of the road, Indians are likely to be equally undisciplined. Look no further than the 2018 Road Accidents in India report for proof. The report makes for some very sober reading, right from the introductory note penned by Roads Minister Nitin Gadkari.

"The total number of accident related deaths in 2018 stood at 1,51,417... About 85 per cent of the accident related deaths happen in the most productive age group of 18-60. Road accident deaths not only cause severe trauma to the family of the victim but they also result in a huge economic loss to the Nation," the Minister writes.

The report notes that India has the dubious distinction of holding the top rank among 199

countries for the number of road accident deaths, accounting for 11 per cent of all deaths worldwide.

Among the most avoidable deaths in those statistics are the 8,782 caused by people driving on the wrong side of the road. That is 24 people dying every day because some damn fool couldn't be troubled to take the correct, if longer, route.

To be sure, these statistics have not come as a bolt out of the blue — the 2018 numbers are simply a 2.3 per cent increase over the figures for 2017. But they should remove all doubt about the criticality of the tough new Motor Vehicles Act championed by Minister Gadkari and shepherded through Parliament by him.

Yes, the penalties are high — apparently one motorist in Gurugram preferred having his vehicle seized to paying the fine, as the vehicle was worth less — but the benefits far outweigh the sufferings of the lawbreakers.

As the Minister underlined, the economic loss caused by accidents is huge, for the individual, for the household, for corporates and for the state.

From the corporate point of view, if not the healthcare sector, the insurance industry, at least, will be happy if there are fewer accidents, as it will save a considerable amount of the crores it pays out in motor insurance claims each year (₹41,015 crore in 2017-18, though this also includes claims for thefts etc), not to mention the health insurance claims of the victims.

If the new law, with its harsh provisions for violations, is implemented to the letter, life on India's roads will be easier. And for most people, it will be longer. It will save the lives of thousands, nay, hundreds of thousands, over the years. And for that, all Indians, be they from the Left, Right or Centre, should be grateful to Nitin Gadkari.



# Domestic issues hamper India's progress

India has potential to become a great power. But a narrow security focus and economic hiccups are hindering further growth

CHRIS OGDEN

## INDIA IN TRANSITION

In recent decades, India has been slowly climbing up the international hierarchy, increasing its global influence en route to emerging as one of the system's premier great powers. Along with China's spectacular rise over the last four decades, India's own remarkable progress encapsulates the current global shift of economic power from Europe and North America to Asia.

Despite being ascendant, India, however, often seems to be suffering from a perceptual 'gulf', whereby the country's future potential frequently appears at odds with its current reality. Although ranking highly on many key measures held to be pivotal to the realisation of a great power role, the wider conception of India's international stature seems to be debased by domestic factors.

### Economic, military powers

Driving India's ascent in contemporary global politics has been its burgeoning economic success. Averaging a growth rate of 6.5 per cent per year since 1990 has allowed India to overtake a range of established major economies in the last decade, including Japan, Germany, and Russia. With a GDP of \$10.5 billion in 2018, India is now the world's third largest economy after China and the US, with many longer-term prognoses projecting it to become the second-largest within the next 20 years.

Undercutting this trajectory are major concerns regarding the existing capacity and ability of the state to fully harness the country's total economic potential. Currently, the country's infrastructure is not able to sufficiently support the energy, trade and business needs, which is affecting domestic production and impacting foreign direct investment. Tax collection is very low, with only around 3 per cent of the population paying any taxes at all, while job creation has not been

able to keep up with the one million new people entering the workforce each month.

India is a large and expanding military power, whose spending amounted to \$66.5 billion in 2018, placing it fifth globally after the US, China, Saudi Arabia and Russia. As the world's largest arms importer for virtually the last three decades, and with major arms deals and purchases pencilled in across the next decade, analysts commonly project that India will rank third militarily in the world by 2030. Such capabilities are enabling an ever-greater strategic reach in terms of the country's energy security and trade security needs.

While these resources are expanding — India has one of the world's largest standing armies — they are mostly used for internal security concerns in Jammu and Kashmir, Assam, Meghalaya, and Manipur. Such deployments underline the major territorial threats India faces, with 84,000 sq km of Arunachal Pradesh and 38,000 sq km of Aksai Chin being contested by China, while Pakistan and China together maintain claims on 2,22,000 sq km of Jammu and Kashmir. These claims represent over 11 per cent of India's landmass. Separatism, insurgency, and communal violence have resulted in the deaths of 65,500 citizens, security personnel, and terrorists/separatists between 1994 and 2015.

### Demographic potential

Both India's economic and military power are further amplified by factors such as the size of the population (second globally, and set to be the biggest by 2030) and territory (the seventh largest globally), which underscore its potential to maintain and improve its current global ranking.

In particular, demographically, India's population is far younger than the US's or China's (and indeed the European Union's), pointing to a potentially larger workforce with which to sustain its upward trajectory.

Such demographic strengths suffer, however, from underdeveloped



Global power role India ranks high on many pivotal measures ISTOCKPHOTO

resources, with education and health provisions too weak to fully enable the prospective gains of such a large and youthful population. In the longer term, India will also need enhanced housing and pensions system to cater for its elderly population.

In turn, although India is the world's largest democracy (with an electorate of 900 million in 2019), the state does not appropriately defend minority, caste, and women's rights, and has under-functioning institutions undercut by human rights abuses, corruption, and a reduced adherence to secularism.

Beyond the material realm, India also possesses enviable major soft power repositories in the form of Bollywood, cuisine, cricket, and its claims as the birthplace of yoga (to name but a few). As an increasingly recognised global brand, this again places the country in the upper echelons of world power. However, all the factors affecting the country's economy, territory, and population also serve to regularly debate these positives.

Although situated highly across a number of key factors associated with being a great power, India continues to appear to be punching under its weight, looking like a great power but not acting as one.

Thus, economically, the country is not yet a major pivot upon which the world relies, currently ranking as only the world's 19th largest exporter and 11th highest importer. Militarily, notwithstanding its high contributions to UN peacekeeping operations (usually the world's third or fourth highest), it lacks the ability or volition to project this power in the interests of international security and is hamstrung by domestic security concerns. On both these measures, India cannot yet convert these strengths into significant diplomatic tools.

### Roadblocks in progress

Flowing from these observations, and more broadly, although India's importance as a rising power is accepted, its actual great power status is not sufficiently believed. With peer recognition being critical, this perception appears to be surmounting India's clear material capabilities and potential.

It is also outweighing the strong domestic — and evermore nationalist-fuelled — belief that India is a country of great power standing. Not having a permanent veto seat on the UN Security Council appears to be the best example in this regard.

More pragmatic voices in India

maintain that it is just a matter of time before this perceptual gulf is overcome, and that observers possibly expect too much from a still-developing country. Others note that perhaps the measurement of great power itself is outdated, and that very large countries in (unsettled) neighbourhoods such as India can or will never be as outward looking and proactive as other great powers have historically been.

China provides a clear example for India. Even though it has faced — and continues to face — many similar issues (a transitioning economy, territorial problems in Xinjiang and Tibet, and major internal security issues), China has been able to sufficiently overcome them to now occupy a critical place in the strategic thinking of others. It is also a very large country in an (at times) unstable neighbourhood, with a highly nationalistic set of leaders.

A key divergence does occur politically, with China's authoritarian one-party state giving the leaders of the Chinese Communist Party a clear advantage over democratic India in terms of quickly enacting and ensuring major policy changes. That stated, this difference does not much alter their mutual trajectories, but is more crucial in terms of their rate of acceleration towards becoming great powers, with India appearing to be decades behind China.

Regardless, as India's largely benign rise continues, perhaps greater domestic patience and international accommodation are needed to better appreciate the challenges and issues that will mark it out as a 21st century great power. Such political space and accommodation will be to both India's and the wider system's advantage.

The writer is a Senior Lecturer/ Associate Professor at the School of International Affairs, University of St Andrews. This article is by special arrangement with the Centre for the Advanced Study of India, University of Pennsylvania.

## 5 THINGS to WATCH OUT for TODAY

**The Supreme Court** will hear the bail plea of former Finance Minister P Chidambaram in the INX Media money-laundering case. Chidambaram was arrested by the ED in the money laundering case on October 16 and is currently in judicial custody till November 27 under the orders of a trial court.

**President Ram Nath Kovind** will present the 'President's Colours' to the Indian Naval Academy. A special postal cover will be released to commemorate the event. The President's Colours is the highest honour awarded to a military unit as a symbol of excellence and dedication.

**The members** of the Confederation of All India Traders (CAIT) will hold a "National Protest Day" and a dharna will be organised in more than 500 cities. This is part of a series of protests against Amazon, Flipkart and other e-commerce firms for what CAIT alleges is a continuous violation of the FDI policy. About five lakh traders are expected to take part in the protest, CAIT said.

**The 50th** edition of the International Film Festival of India (IFFI) opens in Goa. Nearly 250 films from across the world will be screened during the week-long event. Rajinikanth will be honoured with the 'Icon of Golden Jubilee' award. IFFI will also screen 50 films by women filmmakers in recognition of their contribution to the industry.

**Realme is** set to launch the Realme X2 Pro in India. Powered by the Qualcomm Snapdragon 855 Plus, it is likely to be priced around ₹27,000. The X2 Pro will come with five cameras and an in-display fingerprint sensor. Realme will also be launching the Realme 5s.

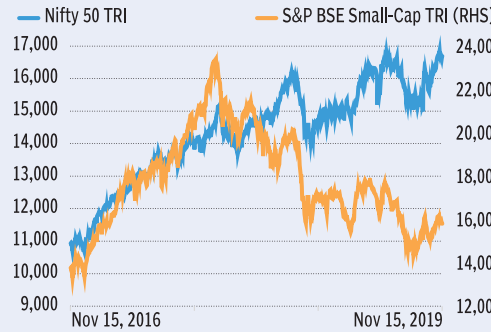
DHURAIVEL GUNASEKARAN

## STATISTALK

# How small-cap funds have fared

After hitting a lifetime high in January 2018, the S&P BSE Smallcap index (TRI) began its descent and has since tumbled 33 per cent. Steep valuations and overall weakness in the market triggered the sell-off. While small-cap mutual funds as a category also took a hit, some funds remained resilient thanks to deft portfolio moves. A look at what stocks were added and discarded by funds over the past two years

### Small caps significantly underperformed their large-cap counterparts



### Small-cap funds' performance has taken a knock

AXIS Small Cap has been the top performer

| Scheme Name        | CAGR return (%)* | Benchmark             |  |
|--------------------|------------------|-----------------------|--|
| AXIS Small Cap     | 3.3              | S&P BSE Small-Cap TRI |  |
| Kotak Small Cap    | -9.2             |                       |  |
| SBI Small Cap      | -10.4            |                       |  |
| ICICI Pru Smallcap | -10.7            |                       |  |
| HDFC Small Cap     | -11.7            |                       |  |
| Quant Small Cap    | -12.1            |                       |  |
| IDBI Small Cap     | -12.6            |                       |  |
| Union Small Cap    | -13.4            |                       |  |
|                    |                  |                       | *between Jan 15, 2018 and Nov 15, 2019 |

### Stocks that were discarded by small-cap funds over the past two years

| Company Name                | Market value (₹ cr) Dec 2017 |
|-----------------------------|------------------------------|
| Eveready Industries India   | 211                          |
| GIC Housing Finance         | 121                          |
| Essel Propack               | 117                          |
| Max India                   | 111                          |
| United Breweries            | 101                          |
| Kaveri Seed Company         | 95                           |
| Bharat Financial Inclusion  | 62                           |
| J Kumar Infraprojects       | 54                           |
| SREI Infrastructure Finance | 46                           |
| Sundram Fasteners           | 44                           |

### Stocks that were added by the top four small-cap funds this year \*\*

| Company Name       | Market value (₹ cr) Oct 2019 |
|--------------------|------------------------------|
| Axis Bank          | 104.6                        |
| NIIT               | 92.9                         |
| Triveni Turbine    | 90.7                         |
| City Union Bank    | 83.5                         |
| NHPC               | 64.3                         |
| Chalet Hotels      | 63.2                         |
| Lemon Tree Hotels  | 61.1                         |
| Timken India       | 57.4                         |
| Aarti Industries   | 53.3                         |
| Divis Laboratories | 47.6                         |

### Top stocks in the existing portfolio of the top small-cap funds\*\*

| Company Name                     | Market value (₹ cr) Oct 2019 |
|----------------------------------|------------------------------|
| JK Cements                       | 215.4                        |
| Galaxy Surfactants               | 192.0                        |
| Blue Star                        | 158.2                        |
| Dixon Technologies (India)       | 155.9                        |
| Hawkins Cooker                   | 153.8                        |
| Techno Electric & Engineering Co | 132.7                        |
| Can Fin Homes                    | 115.2                        |
| Sheela Foam                      | 112.7                        |
| Axis Bank                        | 104.6                        |
| Relaxo Footwears                 | 98.3                         |

## EASY

### ACROSS

- Over a brief period of time (2,3,5,3)
- Saltatorial insect (11)
- Arched part of foot (6)
- Every twelve months (6)
- Electric circuit breaker (3-3)
- Becomes gradually smaller towards end (6)
- Engraved metal; faultless handwriting (11)
- Allowance made for mistakes (6,2,5)

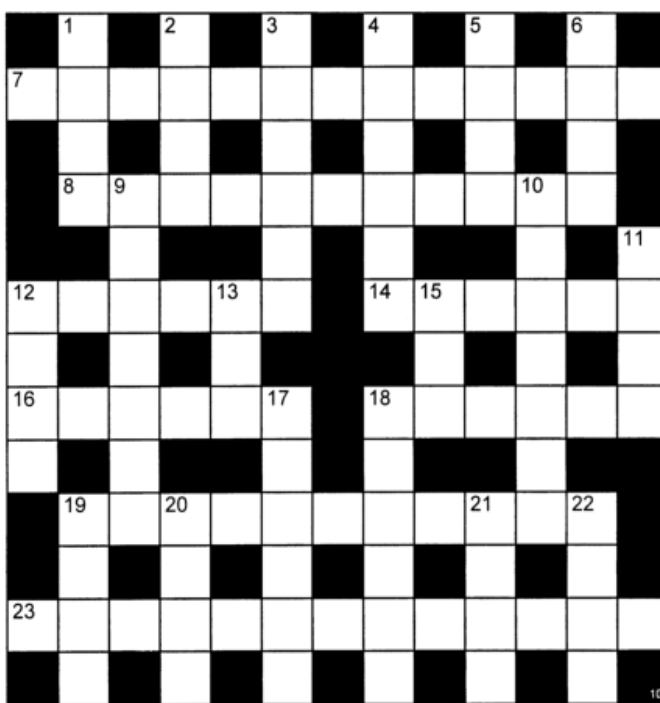
### DOWN

- Hidden obstacle (4)
- The tea genus (4)
- Utilises what's left over (4,2)
- Dependency overseas (6)
- Pace (4)
- Prickly seed-case (4)
- Italian rice dish (7)
- Intent, sincere (7)
- Extras at cricket (4)
- Island (Scot) (4)
- Running-bird (3)
- Important date, age (3)
- Servant under cook and table-maid (6)
- Stand as a pattern of (6)
- Decapod crustacean (4)
- Swine (4)
- Land measure (4)
- Greek equivalent of Cupid (4)

## SOLUTION: BL Two-way Crossword 1489

- ACROSS** 01. Grandmaster 07. Musical 09. Milk 11. Crone 12. Divest 14. Destitution 18. Thrive 20. Alert 22. Dock 23. Witless 24. Predominate
- DOWN** 02. Restore 03. Mole 04. Elite 05. Smock 06. Skate 08. Creative 10. Distract 13. Sty 15. Overeat 16. Study 17. Stash 19. Recur 21. Swim

## BL TWO-WAY CROSSWORD 1490



## NOT SO EASY

### ACROSS

- During sprint, over a brief period of time (2,3,5,3)
- Chirpy chap prospers with hag anyhow (11)
- Part of foot that marches keeping time with the others (6)
- Annual appearance of nobleman among the wise (6)
- Excise a circuit safety device (3-3)
- Gradually leaves off the lights if they are feeble (6)
- Engraved impression of faultless handwriting (11)
- Latitude in which to go wrong (former roaring made it) (6,2,5)

### DOWN

- Gains by one leaving upturn of a drawback (4)
- Greek goddess of the genus that gives one a cuppa (4)
- Finishes what there is of EP with us twice (4,2)
- Settlement could be cool with the Big Apple (6)

- Mogs and mutts turn up on the threshold (4)
- Rub it up right and it may stick to one's clothing (4)
- Rice dish has its root in cooking (7)
- Token payment shows one is serious (7)
- Extras were available in Jersey bar turned over (4)
- Bird without its head is about 2\_ cm (4)
- Greek letter follows English bird (3)
- A particular period in an operation (3)
- A maid from Tyne we sorted out (6)
- Stand as an example of pity perhaps for your leaders (6)
- Sour-tempered person gets right inside taxi (4)
- Bits of orange for greedy eaters (4)
- Some land mother-of-pearl without a top (4)
- Greek god angry at being set up (4)