



Rewind to fast forward

Delayed reset on retrospective tax is only the first step to regaining investor confidence

A tortuous taxation tale that began with global telecom major Vodafone's \$11 billion entry into India, is nearing its climax 14 years on, with the company having frozen fresh investments for a few years and its Indian operations now on the brink of collapse. On Thursday, Finance Minister Nirmala Sitharaman introduced tax law changes to scrap the retrospective provisions brought in by the late Pranab Mukherjee in the Union Budget 2012-13. I-T demands have been made in 17 cases, including from Vodafone and Cairn, using those retro-active clauses in the I-T law. That this government took so long to undo Mr. Mukherjee's gambit after losing a tax pursuit against Vodafone is disappointing. Even before 2014, the BJP had called the retrospective provisions 'tax terrorism'. Yet, it did not walk the talk despite a resounding parliamentary majority, while promising global investors that it does not approve of such measures. Whether this was a result of political dithering, bureaucratic bungling or ill-informed legal advice, the 'sore point for potential investors' remained on the statute. This should now lead to a formal burial of a matter that has cost India dear.

In Cairn's case, the tax department began action in January 2014, but the assessment orders were passed, and its shares sold off to recover 'retrospective' tax dues under this regime's watch, pending international arbitration. By December 2020, the Vodafone and Cairn arbitration cases had been lost and investors hoped the Government would abide by the legal process and close this sordid chapter. Instead, appeals were filed, with the Government asserting as recently as May that it will 'vigorously defend' its sovereign right to tax and had 'never agreed to arbitrate a national tax dispute'. On Friday, Ms. Sitharaman said the Government was waiting for those cases to 'reach their logical conclusion'; now that they have, the BJP is fulfilling its commitment that it does not believe in retrospective taxation. If that were indeed the case, the Government could have introduced these changes in the Budget instead of wasting more legal resources on filing appeals. It is quite clear the U-turn has been prompted by Cairn Energy's relentless pursuit to enforce the arbitration award. That it has sought to get Air India labelled as the Government's 'alter ego', creating fresh doubts for the airline's potential buyers, and a French court has permitted it to freeze Indian assets in Paris, must be significant triggers. Whether Cairn will back down from those claims or forfeit the interest and damages, as offered by the Government to close the chapter, will likely depend on its institutional shareholders. Irrespective of the outcome, global capital is unlikely to immediately forget the 'ad-hoc' approach to this critical policy issue and rush in. Be it fluctuating trade tariffs or shifting GST rates and rules, India needs to demonstrate greater clarity and consistency in policy across the board to fix its broken credibility.

It's hockey

As the men's and the women's teams excel at the Olympics, hockey is again looking ahead

A splendid fortnight in Tokyo has steered Indian hockey back to the limelight tinged with an Olympic halo. Before this, for years the sport, much akin to the West Indies in cricket, had only the good-old-days cliché to fall back upon. Champions of the distant past but plagued by middling results, was the standard template. There was the odd flicker and the nostalgically inclined with their fond remembrance of legends such as Dhyan Chand, Mohammed Shahid and Dhanraj Pillay, would hope for a sunrise. It often proved to be a mirage while cricket, football, tennis and Formula One lured the fans. That India had to wait for 41 years for its next Olympic hockey medal tells a long tale of diminishing hope. Thankfully an upward graph has been finally etched due to the grit and skill-sets of Manpreet Singh's men, who despite an early 1-7 loss to Australia held their own and winged into the semifinals where they ran into eventual champion Belgium. The soul-numbing defeat was quickly cast aside and India prospered to wrest the bronze with a 5-4 triumph against Germany during Thursday's third-place play-off. Mentored by coach Graham Reid, India had turned a corner and hockey was the flavour of the season. The ancient game which melded magical wrists, sprinting feet, sticks and a speeding ball, has seemingly reclaimed its Indian heart.

If men as diverse as Manpreet and goal-keeper P.R. Sreejesh showed that India was at home in modern hockey, their female counterparts showed they are equal to the very best. Rani Rampal's unit had a dream run but a bronze was missed by a whisker. It is one of the greatest fourth-place results in Indian sporting history and on a par with where Milkha Singh and P.T. Usha finished in their respective 400m and 400m hurdles finals during the 1960 Rome and 1984 Los Angeles Games. If the men revived an old romance with hockey, the women stole hearts with a riveting performance. A semifinal berth followed by a 3-4 loss to Great Britain during Friday's third-place play-off, left the nation with a lump in its throat as the women gave it their all on the ground. Rani, goal-keeper Savita Punia, Salima Tete and other stars showed that India has its heroes on either side of the gender-divide. To battle past stereotypes, misogyny, poverty and casteist boundaries, demands a bigger heart. The women's hockey team had it in abundance and credit is also due to coach Sjoerd Marijne, who ended his tenure on a high. The effort put in by SAI and the sponsorship from the Odisha Government, played a big part too. Indian hockey has found its feet and this is a redemption song of the finest kind.

India's schoolchildren need their childhood back

The country needs to stop asking whether schools are safe and start acknowledging that in-person school is essential



DHARNI MATHUR & TANYA AGGARWAL

The economy is open. Malls, bars, restaurants, and some offices are open, but schools have been closed for 16 months and counting. They have sporadically opened for the higher grade students, and the Board examinations have been a key discussion point. There is indeed some basis to the old joke that Indian parents have a razor-sharp focus on academics and want their children to be a doctor or an engineer. This focus is not entirely misplaced, for academic results in the higher grades are important to determine colleges and professions, and for many Indians, a chance at a better life.

The wide-ranging impact

However, let us not forget our youngest children. Six year olds who have spent more time outside the classroom than inside. Five year olds who have never been inside school nor ever met their teachers or classmates. Let us not lose sight of the importance of education in the younger years as well as the overall purpose of education. In-person school education teaches children to share, wait for their turn, negotiate, and compromise; by depriving them of social contact, we are depriving them of essential learning and development. For children from economically weak backgrounds, schools are a key source of nutrition. For some, schools serve as safe spaces from the chaos of their homes. For many children, partic-

ularly those who do not have educated parents or cannot afford home tutors, the denial of education results in learning losses and, ultimately, denial of a chance to earn a livelihood. For parents, school closures have added to childcare and teaching duties. Household incomes are reducing amidst rising inflation as parents, mainly mothers, have quit their jobs.

The Indian Council of Medical Research (ICMR) recently stated that "once India starts considering, it will be wise to open primary schools first and then secondary schools. Also, we have to ensure that all support staff, whether it be school bus drivers, teachers and other staff in the school, need to be vaccinated" (<https://bit.ly/3AhqX7T>). Researchers do agree, however, that children are at low risk of developing severe COVID-19 compared to adults.

Expert opinion

In June 2021, commenting on the World Health Organization-All India Institute of Medical Sciences (AIIMS) serosurvey, AIIMS Director, Dr. Randeep Guleria said, "This study also looked at sero-surveillance among children. In the less than 18 years of age group, it was found that more than 50 per cent of children and in some areas, more than 80 per cent of children from both urban and rural areas had antibodies. This means they were already infected and developed antibodies." The ICMR recently released results of the Fourth National Sero-Prevalence Survey which showed that more than half of the children (6-17 years) were seropositive and sero-prevalence was similar in rural and urban areas. Given the above, it is possible to think about starting schools in areas where the community level of infection is



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low. A one-size-fits-all approach across India will not work. This means that in some States such as Kerala or Maharashtra, where COVID-19 cases could be surging again, students should stay home, while their counterparts in other States where positivity rates are lower, can start going to school.

There are a host of recommendations on how to open schools safely, including by the World Bank, SRCC Children's Hospital, Mumbai and the Lancet COVID-19 Commission India Task Force (<https://bit.ly/37o7Ekl>). Schools cannot be opened overnight. There is a large amount of preparation required, and the longer we wait to begin planning, the longer it will take to implement.

As immediate measures, governments should: call for lists of school staff and procure full vaccination for them. Scientists should confirm if the gap between doses can be made shorter akin to health-care workers; engage relevant experts to undertake public campaigns to make school staff and parents aware of the low risk of transmission in schools and low severity in children, urge them to understand the science and encourage them to commit to a social contract to be ever-vigilant and keep a sick or exposed child home; issue guidance for staggered re-opening of primary schools - e.g., 50% attendance or

smaller groups of students on alternate days or weeks; upgrade school infrastructure to facilitate a hybrid system of learning where parents who do not wish to send their children to school have the choice to continue with online learning; train school teachers in hybrid learning; formulate and issue guidance on COVID-19 protocols to be adopted by schools - distancing to the extent possible, outdoor classes weather-permitting, masking, hand hygiene, and proper ventilation (scientists have indicated that even the humble pedestal fan can do wonders for ventilation); finalise logistics such as packed meals and transport; and ensure availability of medical consultation so that staff and parents need not scramble for assistance.

Other required long-term measures, which will also require funding, time, and effort, include greater investment in health-care facilities, particularly paediatric facilities, and implementation of systems to track local level of infections.

Managing the risks

As parents, we must recognise the costs of isolation and online learning for our young children. We cannot wait for children to get vaccinated because this may take years. According to a media report, Britain has said that "it has decided against giving mass COVID-19 vaccinations to all children and they would only be offered in certain situations such as when young people have underlying health conditions". We cannot expect schools to provide a 100% guarantee that our children will be safe. Nothing is risk-free; risk must be managed with mitigation strategies. Instead, we must build mutual trust among governments, schools, and citizens. Each of us

must implement and adhere to COVID-19 safety protocols recommended by scientists. Each of us must be vigilant and responsible, ensure all adults in our households are fully vaccinated and ensure children stay home if sick or exposed. Until a greater proportion of the population is vaccinated, we should endeavour to curtail unnecessary travel or exposure because we know from serosurveys that adults are bringing infections home.

Parents' groups on social media are abuzz with requests for 'pods' of students and home tutors. Education, like oxygen and medicines during the second novel coronavirus wave, is becoming the responsibility but also a privilege of private citizens. We cannot let *status quo* continue any longer - we need to stop asking whether schools are safe and start acknowledging that in-person school is essential. Extensive literature based on studies on transmission in schools is clear - children are not super-spreaders, schools are not hotspots or driving viral spread. For young children, even a few hours of interaction per week with their teachers and other children would be an excellent starting point. As Robert Jenkins, Global Director of Education for UNICEF, said, "There are many countries in which parents can go out and have a nice steak dinner, but their seven-year-old is not going to school. That's a problem (<https://go.nature.com/3rVrzND>). We need to come together to fix that problem and give our young children their childhood back."

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South Asia's emerging digital transformation

There is evidence that the region's post-pandemic adoption to digital life will shape its future prosperity



SYED MUNIR KHASRU

COVID-19 has forced South Asia to take a quantum leap in digitalisation. The shift to remote work and education has propelled an unprecedented spike in Internet penetration, with even smaller nations such as Nepal recording almost an 11% increase in broadband Internet users. For a region with threadbare public health infrastructure, the digitisation of health-care services was a watershed moment, providing novel solutions to the public health crises.

In India, COVID-19 accelerated the launch of the National Digital Health Mission, enhancing the accessibility and the efficiency of health-care services by creating a unique health ID for every citizen. The pandemic-induced suspension of bricks-and-mortar businesses spurred South Asia's embrace of e-commerce, boosted by digital payment systems. Bangladesh alone witnessed an increase of 70-80% in online sales in 2020, generating \$708.46 million in revenues (<https://bit.ly/3CpG79>)

The yawning divide

As one of the world's poorest regions, a wide digital divide persists in access and affordability, between and within the countries of South Asia. Despite having the world's second largest online market, 50% of India's population are without Internet with 59% for Ban-

gladesh and 65% for Pakistan (<https://bit.ly/3iJtUOQ>).

With monetary and health assistance schemes distributed online, 51% of South Asian women were excluded from social protection measures during the pandemic (<https://bit.ly/3xoe7ml>). Children too were at the receiving end, with 88% lacking access to Internet-powered home schooling (<https://uni.cf/2TYn5cp>). This disruption could permanently put children out of school, place girls at risk of early marriage, and push poor children into child labour costing economies billions of dollars in future earnings.

Businesses too have paid a heavy price for the gap in digital solutions, whereby many South Asian firms failing to embrace e-commerce or other cloud-based technologies to survive the financial chaos of the novel coronavirus pandemic. The region recorded a 64% decline in sales, with small and women-led firms faring the worst (<https://bit.ly/3IE2HbR>). With COVID-19 transforming work life, the acute skills gap among youth will continue, creating unemployment.

Digital inevitability, dividend

Digital transformation is a global imperative with adoption of advanced technologies such as cloud computing, artificial intelligence, the Internet of things, Big Data, etc., key to success. From banking to manufacturing and retail, the role of digital technology is too important to be overlooked as countries embrace the digital revolution to drive their development agenda.

At the forefront of Asian digitalisation are countries such as Singa-



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pore, Japan, and South Korea recognised as global technological hubs. Owing to increased smartphone and Internet penetration, coupled with the availability of trusted digital payment platforms, China's e-commerce industry is said to reach \$3 trillion in 2024 (<https://bit.ly/37qTjW>). The digital boom in the Association of Southeast Asian Nations (ASEAN) economies is pushing a "common market" initiative, fostering regional economic integration and enhancing global competitiveness.

South Asia has also made significant strides in the adoption of digital technologies. The Digital Bangladesh Vision 2021 envisages transforming Bangladesh into a prosperous, digital society, whereas India's biometric identification systems intend to improve the efficiency of welfare programmes through digital innovation. However, the region still has a long way to go.

E-commerce could drive the post-pandemic growth in South Asia, providing new business opportunities and access to larger markets. In India, e-commerce could create a million jobs by 2030 and be worth \$200 billion by 2026. Fintech could drive significant growth and reduce poverty by building financial inclusion. For

instance, Pakistan's digital financial sector could boost GDP by 7%, if faster payment gateway, lower costs and fast track licensing are put in place. A timely, inclusive, and sustainable digital transformation can not only bolster productivity and growth but also serve as a panacea for some of the region's socio-economic divides.

A checklist for change

To reap the dividends of digital transformation, South Asia needs to address legal, regulatory and policy gaps as well as boost digital skills. A robust digital infrastructure is a *sine qua non* and there exists a huge financing gap. India alone needs an annual investment of \$35 billion to be in the top five global digital economy and public-private partnership needs to be leveraged for the region's digital infrastructure financing.

Regulatory roadblocks need to be addressed as e-commerce regulations are weak in South Asia. For the sector to drive growth, issues such as customer protection, digital and market access regulation, etc. need to be addressed. There would be no digital revolution without universal digital literacy. Governments and businesses need to come together to revamp the education system to meet the demand for digital skills and online platforms. The crossflow of data and personal information calls for stringent cybersecurity measures as many have experienced painful lessons in data privacy during the pandemic.

In South Asia, only a third of the inter-regional trade potential has been exploited, losing out on \$23 billion in revenues (<https://bit.ly/37ohgIr>). By addressing is-

suues such as regulatory barriers on currency flows inhibiting online payment to transport-related constraints for cross-border e-commerce activities, South Asia can emulate the European Union's Digital Single Market Proposal.

During the pandemic, South Asian nations joined hands to collectively battle the crises by contributing towards a COVID-19 emergency fund, exchanging data and information on health surveillance, sharing research findings, and developing an online learning platform for health workers. If the eight nations (Afghanistan, Bangladesh, Bhutan, India, Nepal, Maldives, Pakistan and Sri Lanka) can start walking the talk, partnership for a successful digital revolution is plausible. It will need vision, wisdom, and commitment at the highest level of the region's political leadership.

Collaboration needed

COVID-19 has rendered old ways of operating redundant. Concerted collaboration at all levels is needed to push South Asia out of stagnancy and towards a digital future of shared prosperity. The right concoction of regulatory and physical infrastructure, skill sets and regional cooperation can lead towards a digital utopia whereas, the lack of which can breed a dystopian tomorrow. Adequate support is needed for those who risk falling through the net of digital progress. A shared "digital vision" could place the region on the right track towards the Fourth Industrial Revolution.

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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.

Court on Pegasus

The Centre could be in for a shock now after remaining unmoved despite disruptions in both Houses of Parliament over the Pegasus snooping issue. That the top court has made it clear "the truth has to come out" is a wake-up call (Page 1, August 6). Pegasus is a case in point for executive inactions.

PRABHU RAJ,
Bengaluru

Language and learning

The implicit assumption of the writer (Editorial page, "A language ladder for an education roadblock", August 5) seems to be that

the mother tongue is invariably the dominant language of the State. The 'actual' mother tongue may be very different from the State language even if they hail from that State. In Karnataka, for instance, there are people whose mother tongue is Telugu, Tamil, Konkani, Marathi or Tulu, etc. For these people, the political achievement of teaching in the 'mother tongue', which in their case is Kannada, would be more a bane than a boon. The writer mentions studies that prove that teaching in the mother tongue is beneficial, but

how many of those studies were conducted for professional courses in a diverse India? Of course teaching in the mother tongue is beneficial at the primary level, but it definitely is not so at the professional level. Also, are we asking if our respective mother tongues have expanded to accommodate the needs of today's professional education? One wonders what the mother tongue equivalent would be for basic terms such as 'electromagnetic induction' or 'reverse osmosis'.

SURAJ D. NAYAK,
Bengaluru

Hockey diary

Finally, the monkey is off the back of the Indian men's hockey team (Page 1, "India defeats Germany to win bronze in men's hockey" and 'Sport' page, both August 6). The colour of the medal does not matter much. The spirited triumph is the pride and joy of all Indians. The country owes a debt of gratitude to Odisha Chief Minister Naveen Patnaik for sponsoring our hockey teams.

C.G. KURIKOSSE,
Malippara, Kothamangalam, Kerala

■ Medal or no medal, the Indian women's hockey team

gave us a superb display of skills and tricks at Tokyo. But the girls need to be reminded that it is not over. They will bounce back. They have also won a million hearts.

P. VASUDEVA RAO,
Secunderabad

■ The teams have to be nurtured. I remember reading a news item years ago about our cricket and hockey teams being in Srinagar for their matches. While the cricket players were put up in a star hotel, the hockey players were lodged in a dormitory. One does not know the remuneration of our hockey players.

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We need to take the premier game back to its past glory.

N.C. RAMASUBBU,
Coimbatore

■ Considering the fact that India had won back in 1980, there were much less expectations this time. The underdog label weighed favourably on the Indian men's team's ultimate performance. India's resurgence to retrieve the glorious olden days is not far away. The women's team must be motivated even more.

V. SUBRAMANIAN,
Chennai