



## Mixed bag

Bypoll results hold lessons for the centralising politics of the BJP and the Congress

The results of bypolls in three Lok Sabha seats and 29 Assembly seats across 13 States and one Union Territory are a mixed bag for the BJP and the Congress. The ruling party in West Bengal, the TMC, got a resounding endorsement as it won huge victories in four Assembly seats, while the TRS, despite using all levers of power in Telangana, faced a defeat in the lone Assembly seat. The BJP took a considerable beating in Himachal Pradesh, where it rules, as it lost a Lok Sabha seat and three Assembly seats to the Congress; but it made gains in Madhya Pradesh, where it displaced the Congress in two Assembly seats while retaining a Lok Sabha seat and an Assembly seat. In Assam, it won all five Assembly seats along with a regional ally, displacing the Congress in one. The victory in the Huzurabad Assembly segment in Telangana may be the most encouraging for the BJP, as it defeated the ruling TRS that had left no stone unturned to retain the seat. The Congress defeat in the seat was so decisive that the outcome might point to a definitive turn in State politics. In Karnataka, the BJP faced a setback in the home district of Chief Minister Basavaraj Bommai.

Reading too much into bypoll results is fraught with risks, but some broad points are noteworthy. Taken together, the results show that the Opposition is alive and kicking, but still devoid of a national narrative, programme or leadership. This set of byelections may not signal any consequential change in the national mood — H.P., which gave a drubbing to the BJP, has only four Lok Sabha seats, while in Bihar, BJP ally, the JD(U), retained both Assembly seats. The polls show that leadership at the State-level matters, and this may be bad news for the BJP that has increasingly centralised power and sought to undermine strong regional leaders. In Karnataka, B.S. Yediyurappa's removal as CM appears to have come with a cost; in Assam, and other north-eastern States, the imprint of Himanta Biswa Sarma is unmistakable in the impressive performance of the BJP; in Madhya Pradesh the credit for the party's victories goes to CM Shivraj Singh Chouhan; and in Rajasthan the extent of its defeat can be attributed to the lack of regional leadership. The massive scale of the TMC's performance in West Bengal and the corresponding rout of the BJP prove the former's complete grip over the State, and the latter's continuing struggle to understand it. The party was tamed in the Assembly election earlier this year, and its agenda and approach continue to be distant from the thinking of the Bengali. As for the Congress, what matter more are the defeats in M.P. and Telangana, and not the victories in H.P. and Rajasthan.

## The recovery toolkit

The economic recovery remains fragile; rebooting tax policy may help

The latest string of official numbers, including almost-record GST collections, healthy direct tax inflows, strong manufacturing and exports, provide some confidence that the economy has lurched back from the danger zone for the second time in less than a year owing to the COVID-19 pandemic. But the healing is still too uneven. GST revenues in October, for transactions done in September, crossed ₹1.3-lakh crore. The Finance Ministry believes this kitty would have been higher if sales of cars and products dependent on chips were not afflicted by shortages. If September's activity reflects pre-festive stocking, the actual festive spending (October-November) may keep GST numbers propped up, but it would be critical to wait for the post-celebration trajectory. October has offered mixed signals so far — manufacturing has seen a surge in output and new orders, domestic and global, but continues to shed jobs, as per the IHS Markit Purchasing Managers' Index. Moreover, manufacturing rivals Vietnam and Indonesia have seen a sharper rise. Diesel consumption, a better indicator of commercial throughput, has been lower than October 2020, while credit growth, rail passenger revenues and traffic congestion have been insipid. India's exports have held strong, but the import bill is rising too as coal, fuel and edible oil prices shoot up.

A hovering fertilizer crisis could yet dampen *rabi* crop and hit farm sector growth. While that could trip rural demand, rising oil prices pose a persistent threat to growth. One understands a resource-starved Government's preference for certain non-discretionary revenue flows such as those arising from 'fuel consumption' over the less certain 'discretionary consumption' revenues based on households' aspirations and confidence levels about the immediate future. But the longer-term impact of the former constricting the latter would be worse as it also puts paid to hopes of a sustainable investment pick-up. Growth engines will remain throttled rather than go full throttle towards the Centre's five trillion-dollar goal for the economy, unless consumption and investment bounce back. With Wednesday's token tax cuts on petrol and diesel, the Government is clearly changing tack from narratives about the high fuel taxes funding free vaccines and welfare schemes that can only hold legs for some distance. Whether this is prompted by recent electoral setbacks or in anticipation of the bigger State polls ahead, it may need to follow up with more tax cuts as global prices are expected to firm up further. The urban poor have been hit the hardest by the high inflation prevailing since the pandemic's onset in 2020. They, along with the much-celebrated Indian middle class, have the highest propensity for upward spending on consumer durables, homes, two-wheelers, and so on. Beyond a point, people would also like to be self-reliant just as the nation aspires to be, and that would trigger a virtuous cycle for the economy.

# Batting for 'One South Asia' makes more sense

When it comes to climate change, India's ideas would pack more punch if they have a clear road map for the region



SUHASINI HAIDAR

Over the course of four days, at the G-20 in Rome and COP26 (the 2021 United Nations Climate Change Conference) in Glasgow, Scotland, Prime Minister Narendra Modi spoke at nearly a dozen events, expanding on India's plans to counter climate change. India's record since the 2015 Paris Accord and initiatives such as the International Solar Alliance (ISA) and Coalition for Disaster Resilient Infrastructure (CDRI), as a part of which Mr. Modi (along with other leaders) launched the 'Infrastructure for Resilient Island States (IRIS)' at the World Leaders Summit at COP26 were widely welcomed. The announcement of India's new Nationally Determined Contributions (NDCs) and the "Panamrit" or five goals for the future elicited applause from across the audience. Missing however, was any reference to India's own region, the subcontinent, South Asia, without which India's multiple forays on fighting climate change could well prove fruitless.

### South Asia's feeble voice

The absence of a South Asian initiative on climate change led by India, accrues to a number of obvious reasons: India-Pakistan tensions that have led to the degradation of the South Asian Association for Regional Cooperation (SAARC) process, especially since 2014, when the last SAARC summit was held; events in Afghanistan and

the Taliban takeover which will bring it closer to its Central Asian rather than South Asian neighbours; the differences over pollution issues within the Bangladesh-Bhutan-India-Nepal (BBIN) grouping that has held up its initiatives like the common Motor Vehicle Agreement (due mainly to Bhutan's opposition); and slow movement amongst the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) countries along the Bay of Bengal that have yet to bring about a common charter at the global level despite adding climate change as an area of cooperation a decade ago.

### Impact of climate change

Why does this matter? To begin with, regardless of relations between any of the countries in South Asia (India-Pakistan being the only notable rivalry), there is no question that this is a cohesive geographical unit that is sheltered by the Himalayas to the north, fed by its many glaciers in an intricate network of rivers that fall into the ocean, and buffeted by the same climate and monsoon conditions. Second, South Asia is slowly becoming the world's biggest area of concern when it comes to climate change. According to this year's Global Climate Risk Index, India and Afghanistan are among the top 10 countries worldwide in terms of vulnerability, but South Asia classifies for the overall lowest values (<https://bit.ly/3bEuMcW>). By one estimate, 20 out of 23 major cyclone disasters in the world in the past have occurred around the Bay of Bengal region, and global warming, coastal degradation and soil salinity as well as water scarcities cause the deaths of thousands in South Asia



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each year. The Asian Development Bank now predicts a decrease of 11% in South Asian GDPs by 2100 if "Business-As-Usual (BAU) Emissions" are maintained. With global warming and sea levels rising, other estimates predict there will be nearly 63 million climate migrants in South Asia by 2050 ("Costs of Climate Inaction: Displacement and Distress Migration"; <https://bit.ly/3mERLuG>).

Second, all these grim figures build a logic for a combined push for global reparations and assistance for the entire region. As a part of the developing world, the Indian subcontinent is not responsible for the massive damage done to the environment already wrought by the developed world, and according to 2019 figures, no single regional bloc has lower per capita emissions than South Asia does (<https://bit.ly/3EKWzJL>).

### Green potential

When New Delhi speaks of the need for climate justice, global funding and climate adaptation technology transfer, India's voice would only be strengthened multiple times if it speaks for South Asia as a whole. According to the World Bank's newly launched South Asia road map, climate-smart investment opportunities in South Asia total a whopping \$3.4 trillion, with "energy-efficient green buildings"

alone representing an investment potential of more than \$1.5 trillion. Green transport connectivity and infrastructure, electric vehicles could represent another \$950 billion in investment opportunities by 2030. This does not include the vast sums of funding available for cross-regional solar grids, wind-farms and run-of-river energy projects (<https://bit.ly/3EXCF5V>).

### Other drawbacks, China

However, while India and other countries in the region access global banks, including the BRICS-led New Development Bank (NDB), the Beijing-based Asian Infrastructure Investment Bank, and Asian Development Bank for projects individually, there is no single South Asian entity the banks could work with for a more targeted focus and more concessional financing for the problem that faces the region.

Third, growing carbon footprints as well as post-COVID-19 economic compulsions are driving countries into closer regional coalitions, looking for solutions closer home, than those provided by globalisation and long-distance supply chains. South Asia has remained an exception, persistently showing lower inter-regional trade and connectivity, and lower levels of cooperation on migrant labour issues, inter-state tourism and cross-border employment than other regions.

Finally, New Delhi has often warned of the pernicious influence of 'Chinese solutions' to problems in the subcontinent, ranging from unsustainable infrastructure financing to environmentally harmful projects as part of the Belt and Road Initiative (BRI), but it has been unable to proffer a viable alternative, with or without its Quad partners.

On certain issues, where India has failed, South Asian neighbours have learned to seek help from other international partners or even each other: when India stopped COVID-19 vaccine exports this year for example, Bhutan, which received vaccines from Denmark and a number of other countries including the United States and China after a desperate global appeal, in turn helped Nepal with stocks of AstraZeneca. When New Delhi failed to respond to Sri Lanka's request for assistance with its currency and debt crisis last year, the Rajapaksa government turned to Bangladesh for a currency swap arrangement. The problems between India and Pakistan that have multiplied manifold in the past few years are no doubt a major obstacle, but not one that cannot be surmounted in the face of a common challenge, as the special SAARC conference on COVID-19 in March 2020 showed.

### New Delhi can show the way

When it comes to climate change, there is a chance to turn this trend, and for India, the largest country in the region sharing the most boundaries with other South Asian neighbours, to lead the way to find holistic solutions: accessing funding, tapping the latest climate adaptation technology, and finding cross-border markets for renewable energy networks. Mr. Modi's "One Sun One World One Grid" and "Panamrit plans" would clearly pack more punch if they contain a clear road map for the region, and strive for a common South Asian taskforce to tackle the enormous challenge that lies ahead for India and its neighbourhood this century.

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# India's 5G leap is about powering tomorrow

The revolution that 4G technology ushered in can be enhanced but the nation cannot gloss over the digital divide



SURJITH KARTHIKEYAN & PRAVEKAR SAHOO

The fifth generation mobile network, or 5G, is the next level of mobile network that will shape the Fourth Industrial Revolution, or Industrial 4.0, quality of service delivery, innovation, etc. by facilitating smarter and developing societies. Commercial 5G networks began to be deployed in 2020 and are expected to reach 12% of world mobile connections (1.1 billion) and generate revenues up to U.S.\$1.3 trillion by 2025 for operators. The technology that 5G uses will improve data transfer speed at unexpected higher levels — almost 100 times more — and reduce latency times helping mission-critical services. Thus, 5G is essential but are we ready for it?

### Some roadblocks

India's telecom sector, which has revolutionised the digital space and facilitated services-led growth and quality of life, has been estimated to be one of the top performers globally for several years; but it has also been in doldrums for the last few years. Moreover, the Supreme Court of India's ruling on the dues being sought by the Department of Telecommunications (estimated to be more than ₹90,000 crore has further exacerbated the financial condition of telecom companies. It is no wonder

then that the number of telecom operators has come down to a handful from around 15 a few years back. In this scenario, the huge investment required for 5G may add to their worries. The trial run of 5G in developed countries such as Japan and the United States reveals that the investment is very high, ranging from \$6 million per small city to \$60 million per large or densely populated city.

### Much potential

The new generation mobile network has the transformative potential to provide a wide range of benefits to the Indian economy, which when enhanced with artificial intelligence provides a new dimension to connected and autonomous systems. Its use is a chance for Indian policy-makers to educate and empower citizens and businesses, and transform existing cities into smart and innovative cities. This may allow citizens and communities to get socio-economic benefits and comforts delivered by a well-advanced, more data-intensive, digital economy. Broadly speaking, the uses of 5G in India may encompass enhanced outdoor and indoor broadband, the Internet of things, smart cities, smart agriculture, energy monitoring, remote monitoring, smart grids, telehealth, industrial automation, remote patient monitoring and industrial automation to name some of the areas. There is great potential for India to move to an advanced digital revolution.

However, it is imperative to undertake an independent economic assessment, city wise, beginning



with the metro cities, to assess the commercial viability for 5G deployment in India. Till this happens we may continue enhancing the existing quality of 4G networks. Singapore had planned four 5G networks — two comprehensive 5G networks and two others with smaller and limited coverage, the reason being the high cost in deployment of fibre cables and the scarcity of 5G airwaves.

### What needs to be done

The immediate priority for India will be in identifying end users and population to be covered, analysis of the existing network and operators, identification of cities for the 5G roll out, working out an investment model, and minimisation of the digital risk and pricing based on the externalities and usage of various sectors. The deployment of 5G in India needs to be carefully planned after a cost benefit analysis by independent experts which will create a level-playing field through market mechanism such as facilitating, simulating, auctioning, ensuring competition, functioning markets, etc.

Once a case is made for 5G, the Telecom Regulatory Authority of India (TRAI) may consider preparing a foolproof spectrum road map with a predictable renewal

process which will compensate the huge investment required for deployment and ensure coverage. A level-playing field should be created for all telecom companies with more focus on companies which have the experience of ensuring telecom networks to remote areas and the potential to provide affordable coverage. Global trial runs show that the key areas for 5G deployment are harmonisation of 5G spectrum bands, pricing and sharing of the spectrum. Sharing of available spectrum to maximise its efficient use especially in rural areas, and spectrum allocation procedures that favour investment, need to be considered.

### Essential sector-friendly steps

As the deployment of 5G network is expensive, both the Central and State governments may need to consider measures which stimulate fibre investment, attract investment through public private partnerships (PPPs) and facilitate investment funds on a nominal interest basis. Fortunately, the big telecom package along with reforms announced by the Government in the middle of September bring relief and create an enabling environment for investment in the sector. Steps such as a moratorium on dues, redefining adjusted gross revenue, and reducing spectrum charges will help all telecom companies, more so Airtel and Vodafone Idea who face precarious financial situations. Further, allowing 100% foreign direct investment in the telecom sector under the automatic route along with these policy reforms augurs well

for the sector to attract investment. Implementation of 5G requires huge investment and the relief package is welcome step.

### Tax issues too

The Government also needs to address information asymmetry and negative externalities through laws and regulations/taxes and subsidies. The deployment of 5G technology will also need right of access to government infrastructure such as traffic lights, lamp posts, etc. where wireless operators can deploy electronic small cell apparatus. At the same time, reasonable fees may be charged by State and local governments to operators for affordable deployment of 5G equipment. Further, removing the tax burden for deploying fibre networks reduces associated costs, thereby promoting investment as was done by Singapore government, could help in the smooth deployment of fibre in India.

As India has already witnessed digital revolution even in its remotest areas due to cost-effective 4G technology, the use of 5G can play a vital role in enhancing this sector and also facilitating India's goal to emerge as a manufacturing and innovation hub. The negative implication of 5G is furthering the 'digital divide'. Therefore, Government policies should also focus on affordable coverage through synchronisation of bandwidth.

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## LETTERS TO THE EDITOR

Letters emailed to [letters@thehindu.co.in](mailto:letters@thehindu.co.in) must carry the full postal address and the full name or the name with initials.

### Bypoll battle

The by-election results have thrown up a mixed bag for the BJP and the Congress (Page 1, November 3). The sheen of the BJP could be fading a bit which could be attributed to contemporary events and issues. It could be a reminder to the party to make course corrections.

A. JAINULABDEEN,  
Chennai

■ The results are an amber light for the ruling BJP. The ailing Congress may have spotted a green light and needs to act with confidence.

D.R. D.V.G. SANKARARAO,  
Nellimarla, Andhra Pradesh

■ Mamata Banerjee has again proven that she is invincible in West Bengal and could now have the potential

to achieve success outside West Bengal. The by-elections show that however formidable the election machinery and the resources of the BJP may be, it can be beaten.

H.N. RAMAKRISHNA,  
Bengaluru

### The road from Glasgow

The green commitments that India made at COP26 are bold (Page 1, November 3). The Indian "assurances" look ambitious as they require many structural adjustments in the management of the economy. The launching of a project to develop infrastructure for small island nations (IRIS) is also a significant gesture to handhold vulnerable countries. Arguably, in the

context of resilient climate change adaptation, the developing nations should be adequately supported in green technology transmission and climate financing. *The Lancet* has also recently described climate change as the defining narrative of human health. Let us hope COP 26 makes a difference.

G. RAMASUBRAMANYAM,  
Vijayawada, Andhra Pradesh

■ Shifting from fossil to non-fossil energy by the developing nations requires the very latest technology, apart from funding. Unless the developed countries undertake to transfer technology, all the efforts of the developing world will come to naught. In addition, defining concrete and

productive action to be taken by the world during the current decade and achieving the emissions targets being committed by nations for 2030 are crucial.

KOSARAJU CHANDRAMOULI,  
Hyderabad

■ The Prime Minister of India finally pledging India to set a net zero emissions goal and date is a wake-up call for the rest of the world. Having said that, steps to slash carbon emissions by a very large percentage ought to start from this very moment.

AANYA SINGHAL,  
Noida, Uttar Pradesh

### Brands and message

As one who belongs to the millennial generation, I feel proud that the efforts made by many of the creators of

brand campaigns and advertisements are paying off and make us understand and appreciate the essence of today's hybrid culture. If some object to the ideas presented by these brands, they have only their narrow thinking to blame.

SUMAN KUMARI,  
Fariabad, Haryana

■ The prime aim of advertisements should be to create awareness/interest about the products, in a manner that is best understood. Even peppy advertisements can only boost the sale of products to some extent. The majority of sales have to happen based on the 'merits' of the products.

V.S. JAYARAMAN,  
Chennai

### Internal reservation

The judgment of the Madras High Court on reservation is in the right direction. Constitutional reservation is available to those who are socially and economically backward. But for a reservation within a reservation — as here, where 10.5% was earmarked for the Vanniars within the 20% quota for the OBCs — calls for compelling data to show that they are so exceptionally backward that they deserve such internal reservation. Since such data was lacking, the court stuck it down as otherwise caste reservation would lapse into casteism which should be avoided.

N.G.R. PRASAD,  
Chennai

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