

Wednesday, March 2, 2011

## Opportunity for more transparency

Nobody has so far made any allegation against former Chief Justice of India and chairman, National Human Rights Commission, K G Balakrishnan. His name is mentioned only in the context of the sudden prosperity of his two sons-in-law. It could very well be nothing more than mere coincidence that their financial stature improved dramatically during the period their father-in-law held the highest judicial office. The income tax department has, reportedly, found out that the assets of one of them — P V Sreenivasan who contested the last Assembly elections in Kerala on the Congress ticket — has acquired is wholly disproportionate to his known sources of income. Investigations underway will, hopefully, reveal the truth. Once the relatives are able to account for all the wealth they have acquired, Balakrishnan's name would no longer be dragged into the controversy. There would, of course be no cause for closer scrutiny if Justice Balakrishnan had not strained himself to prevent disclosure of judges' assets. Ironically, it may be recalled, most judges favoured disclosure. In that instance, Justice Balakrishnan did not give the impression that he was for suitable transparency.

Though he has declared his assets, in this instance, Justice Balakrishnan has asked the income tax department not to disclose details of his income tax returns for the last five years as demanded under the Right to Information Act. He has taken shelter in a clause in the RTI Act which bars officials from disclosing personal information which has "no relationship to any public activity or interest". However, the clause also mentions that such information can be disclosed if it serves the "larger public interest".

At least in this particular case, the disclosure will be in public interest as it will remove some of the apprehensions of the people and restore their faith in Balakrishnan's integrity. As per law personal income tax details can't be made public. The government refused to disclose the names of those who held foreign accounts. In the present instance even ministers cannot be made to divulge their income tax returns. But this instance provides a starting point. Balakrishnan's is a fit case for the government to change the law under which those who hold public offices should be obliged to disclose their income tax returns — if a genuine demand is made in public interest. It should be equally applicable to ministers, civil servants and the judiciary.

## Advice fraught with danger

The government's seemingly dysfunctional condition has apparently persuaded the Supreme Court to offer gratuitous advice on a wide range of subjects, a propensity which recently drew faint objections from the mild-mannered prime minister. It would be worthwhile, therefore, to wait for the government's response to the court's directive on an unusual subject — an alternative source of income for commercial sex workers. Commenting on the murder of a sex worker in Kolkata in 1999, the court has pointed out that women take to sex work "not for pleasure but because of abject poverty". In doing so, it turned to Guru Dutt's *Pyaasa*, and to the works of fiction of Dostoevsky and Saratchandra Chattopadhyay for sympathetic portrayals of those living in 'red light' districts.

Though well-meaning, it is doubtful whether the government will be able to provide to the court the details of the steps it intends to take about organising vocational training for the targeted women. The government may be hard put to finding either the funds or the inclination for a venture of this magnitude and meet the May 4 deadline set by the court. Besides, it is a matter of debate whether turning to the government to address every problem, especially one mixing morality with employment opportunities, is advisable. The best course is for the government to turn to NGOs to arrange for rehabilitating those who have had to forsake their earlier means of earning a living.

However, an aspect of the world's oldest profession to which the Supreme Court does not seem to have given adequate attention is that compulsion — either to leave or join a profession, however disreputable — cannot be the government's business. The reason is that any attempt to put human nature in a straitjacket is not feasible. In this particular case, a way out is to arrange for vocational training for the "fallen" women; but leave it to them to accept or reject the choice. The emphasis has to be on the availability of options, not on a coercive act, driven by pity or morality, if only because a refusal by any individual or group, even out of cussedness, can invite more coercion by the authorities.

Just as prohibition leads to the manufacture of illicit liquor, attempts to regulate commercial sex work have to be undertaken with caution, keeping in mind the frailties of mankind.

# Beg, borrow and spiel

Budget 2011 reflects his core ideology of let's borrow more to spend more. Pranab simply refused to earn more. His budget is very small on big ideas and very big on small ideas

As an agile 76-year old Union finance minister rose to present his third consecutive budget in Parliament on Monday morning, his party, the markets, India Inc and the Opposition were all expecting tall promises from the 5 ft 2 inches Pranab Mukherjee, including drastic changes in structural and ideological direction. After all, in 1982, Pranab at 47 was the youngest ever finance minister to present a full fledged budget; Indira Gandhi complemented him for being the shortest finance minister to give the biggest ideas. His predecessors like P Chidambaram and Yashwant Sinha are known for offering innovative ideas laced with market-friendly jargon. They presented Dream and Super Budgets. However, Pranab's budget reflects neither dream nor direction. After making a longest ever speech made by a finance minister — 13,889 words for over two hours — Pranab left no one in doubt that he wasn't a liberal parent who intends to leave behind gigantic, productive assets and huge savings for his successors or inheritors to walk laughing all the way to the bank. His budget is very small on big ideas and very big on small ideas.

The finance minister has made it very clear that at the sunset stage in his political life, he isn't ready to take risks or make compromises with his brand of politics. In deference to the wishes of his command, Pranab decided to indulge in a spending spree but refused to raise money by imposing extra burdens on anyone. He has treated both a labourer who gets ₹120 per day through the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and a corporate caliph who earns a dividend of ₹12 lakh per day on the same footing; he hasn't disturbed the take-home-income of either. But he had to face the problem of raising money to meet rising expenditure on various social schemes. So, Pranab decided to follow an old saying: "Increase expenses, income will automatically come from somewhere." For the finance minister his budget was meant to provide freebies to the election bound states of Assam, West Bengal, Tamil Nadu and Kerala. All the four states have been given special elections as the Congress expects to win two from the Marxists and retain the other two at any cost.

Prime Minister Manmohan Singh who

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**PRANAB MUKHERJEE HAS DECIDED TO INDULGE IN A SPENDING SPREE BUT REFUSED TO RAISE MONEY BY IMPOSING EXTRA BURDENS ON ANYONE. HE HAS TREATED BOTH A LABOURER WHO GETS ₹120 PER DAY THROUGH THE MNREGS AND A CORPORATE CALIPH WHO EARNS A DIVIDEND OF ₹12 LAKH PER DAY ON THE SAME FOOTING**

once worked under Pranab as finance minister may have changed his views on the economics of politics. Pranab's politics of economics is consistent and hasn't changed much. Budget 2011 reflects his core ideology — a Budget by the Congress, by the Congress and for the Congress — let's borrow more to spend more. The finance minister simply refused to earn more.

During the past six years of the UPA government national debt has risen by over 100 per cent from ₹2 lakh-crore in 2004 to over ₹4 lakh-crore today. For a population of over 1.1 billion, this means a debt of over ₹32,000 per Indian. The government paid ₹2.13 lakh as interest during 2009-2010 and will end up forking out around ₹2.67 lakh-crore during the next fiscal year. If money was being borrowed to create tangible productive assets and generate employment, the nation would have forgiven the finance minister for leading the country towards bankruptcy. Even government statistics foretell a doom story. While the number of those living below the poverty line has gone up, the number of those looking for gainful employment is rising at a rate faster than the country's population growth. If the UPA continues to practice its current philosophy of profligacy, it will leave behind a non-productive and poor Bharat inhabited by few hundred wealthy Indians who eventually own India.

While Pranab is not willing to with-

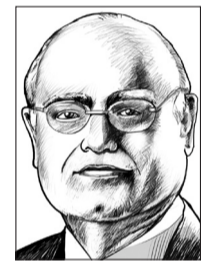
draw the subsidy on foodgrains, kerosene and diesel to retain his socialist image he has bitten the pro-rich bullet of phasing it out. In a move that will hit the middle class hard, the finance minister has declared that BPL families would be given a cash subsidy on kerosene oil etc, from 2012; which means the middle class will end up picking up the tab for their cooking gas and other subsidised products. It is puzzling that the finance minister found it socially correct to forego customs revenue of ₹615 crore from the import of dairy products and another ₹285 crore from importing footwear for the rich and mighty. But such figures seem tiny when the budget justifies over ₹4 lakh-crore as revenue foregone by granting both direct and indirect taxes to the corporate sector. In fact, a detailed scrutiny of Budget 2011 reveals that Pranab was persuaded not to increase the tax burden of those sectors that are accused of absorbing and generating the maximum black money. Actual tax incidence on property developers is just 19 per cent, on builders 22 per cent, diamond cutting 20 per cent and on realty agents 20.3 per cent as against 30.5 per cent for poor retailers.

When trade unions raise a hue and cry to take PF interest rates north, corporate-sponsored reformers scream foul. They forget that the total interest payment on PF and other small savings is only ₹20,000 crore as against ₹2 lakh-crore which the government gives as interest on market

borrowing. Check this out: Indian billionaires whose net worth is over ₹222 billion will pay the princely sum of ₹603 crore as wealth tax and zero capital gains tax.

Pranab has also avoided cutting costs and reducing the size of the government. His three budgets have added over two dozen committees, commissions and panels; most of their members enjoy either Cabinet minister or minister of state status, or at least that of a secretary to the Union government. There are more people holding ministerial rank outside the government than within. Obviously Pranab's mission and motto is to retain jobs for me-and-mine and distribute dole to those who help him to stay in power. No wonder our erudite finance minister spared only politicians and bureaucrats for providing 'essential services' while imposing service tax even on hospitals in which heart surgery is carried out in air-conditioned operation theatres ■

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### Manmohan Singh:

Prime Minister

"I think this Budget matches the challenges that our economy faces."

### Sushma Swaraj:

BJP leader

"It is a very disappointing budget which has not done justice to the common man, woman and youth."

### Gurudas Dasgupta:

CPI leader

"It's a directionless Budget. No efforts have been made to tax rich people or increase employment."

## DEAR EDITOR

# Budget creates one definition for senior citizen

Union finance minister Pranab Mukherjee in his budget has done a good thing in doing away with multiple 'definitions' of senior citizens for the purpose of tax relief, rail travel and retirement from government services. This will help the seniors as it will be less confusing for them while availing these services. Now the age of a senior citizen has been made as 60 years for all the three purposes mentioned above. Kudos to Pranab — **C Ramamoorthy, Madurai**

## Budget has looked kindly upon senior citizens

The measures announced by the Union finance minister to ameliorate the difficulties of senior citizens, especially the creation of a new category of super senior citizens, are welcome. Exempting those with no taxable income, doing away with PAN card and KYC for small investor, enhancing the rate of interest in post office accounts and provision for a senior citizen to exit from a scheme without loss of interest are some of the long-standing demands of pensioners and senior citizens. Computerisation of all accounts in post offices will relieve considerably the over-worked postal employee. There has been no significant diversion for the bureaucratic procedures in all affairs of the government.

S S Rajagopalan, Chennai

## Budget is silent about black money, corruption

This refers to the edit 'Budget is silent where it matters' (TNIE, March 1). As rightly pointed out the budget did not contain any concrete measures worth mentioning to unearth black money parked in foreign tax havens and on curbing corruption. The UPA is deliberately ignoring this for reasons best known to all. This approach raises doubts that the government is refusing to act since some of the ruling party members are involved in fraud.

S Nallasivan, Tirunelveli

## Government should stop its disinvestment drive

Apropos of 'Budget is silent where it matters' (TNIE, March 1), the government should re-

consider the ₹40,000 crore disinvestment plan. It has already sold many PSUs. If this continues, it will lead the country having no assets. Though this budget gives a small relief to the salaried class, more was expected as tax relief.

A Myilsami, Sullur

## Pranab offers crumbs to the middle class

Pranab Mukherjee has presented one of the most disappointing budgets in recent times. It looks like a total washout, bereft of any positive or beneficial features. He has followed the most beaten track of twiddling with the tax rates and surcharges, reducing half a per cent here, increasing 2 per cent there. The minister has thrown some crumbs to the middle class in the form of increasing the tax threshold by a paltry ₹20,000, which is more an insult than a benefit. He seems clueless on curbing inflation and bringing back the black money stored in tax havens. We need younger and fresher minds to run the show, especially the finance ministry. The current crop of ministers appear to be over the hill.

V Vedagiri, Chennai

## Flip-flops in Mamata's railway budget

Apropos of 'Didi's please-all budget' (TNIE, February 26), ritually the ruling alliance hails the year's railway budget as 'a good budget' and 'a common man's budget' and the Opposition terms it 'an exercise in deceit' and 'a jugglery of accounts'. Both are not impartial assessments. The truth lies somewhere in between. The travelling public in the grip of price rise are somewhat relieved that there

is no hike in passenger fares and regard railway minister Mamata Banerjee as the worthy successor to Nitish Kumar and Lalu Prasad. The flip side is that the budget displays no innovative approach and serious commitment to invest in infrastructure and improve amenities and services. The upkeep of 'cattle class' trains is still abysmal with unhygienic coaches that abound in cockroaches, rats and bedbugs. A lot needs to be done and is not addressed in the budget.

G David Milton, Maruthancode

## Existence of media syndicate exposed

This refers to S Gurumurthy's "'Distress' and 'regret'" (TNIE, February 21). The author has rightly pointed out the existence of the media syndicate. The media has turned a dignified regret into a political apology. Though Advani's letter was leaked to public to contain the effects of the task force report, it miserably failed to serve the purpose. It has strengthened many people's suspicion.

Vishnu J Nair, Kodunganoor

## BJP should seek debates on black money

S Gurumurthy's "'Distress' and 'regret'" (TNIE, February 21) has exposed the hollowness of the Advani's 'regret' and 'apology' story propagated by certain sections of the media. When the government is showing seriousness to unearth black money, probity demands that Sonia Gandhi, should rebut BJP's allegation. The BJP should demand a discussion on the issue if it is sure of the facts presented in the task force report.

A Gajanana, Bangalore

## The glorious days of Parliament are long gone

T S R Subramanian's 'Has Parliament lost all its significance?' (TNIE, February 23) made a proper evaluation of the functioning of Parliament vis-a-vis its purpose and glory of the past. As one who used to attend Parliament from 1950s, it makes me recall those days when Nehru was PM. Nehru used to coax members, if they remained silent, to take part in the debate and give their suggestions and views, unlike today when members force others to sit down. Ministers were quick to own responsibility if something seriously went wrong in the ministry under their control. The quality of the proceedings in the Houses started deteriorating from the days of Indira Gandhi who used to overtly encourage some members to shout down others when speaking.

Ganti M Rama Rao, Visakhapatnam

## Corrupt officials should languish in jail

This refers to 'NALCO CMD, wife arrested' (TNIE, February 27). It is a shame to the nation that the head of NALCO and his wife were caught with bribe money in their house. Thanks to the CBI for the arrest but others in the ring should be also caught and if need be dismissed from service. Corruption does not happen overnight. The government should take stringent action against corrupt people to bring about a reform in the administration and the government machinery. Public vigilance is imperative to prevent corruption.

Harish Chandra Arisalya, Cuttack

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