

## Course correction – **Sucking up surplus: SEBI needs financial autonomy to remain effective**

### **A regulatory agency that is at the government's mercy to run its financial and administrative operations cannot be expected to be independent**

The Centre's decision to clip the wings of the Securities and Exchange Board of India has not gone down too well with its members. Yet, the Centre is refusing to budge. In a letter dated July 10, SEBI Chairman Ajay Tyagi said the **Centre's decision to suck out SEBI's surplus funds will affect its autonomy**. SEBI employees had also written to the government with the same concern. As part of the Finance Bill introduced in Parliament, the Centre had proposed amendments to the Securities and Exchange Board of India Act, 1992 that were seen as affecting SEBI's financial autonomy. To be specific, the amendments required that after 25% of its surplus cash in any year is transferred to its reserve fund, SEBI will have to transfer the remaining 75% to the government. On Friday, **the government rejected the plea from SEBI's officials** asking the government to reconsider its decision, thus paving the way for further conflict. *Prima facie*, there seems to be very little rationale in the government's decision to confiscate funds from the chief markets regulator. For one, it is highly unlikely that the quantum of funds that the government is likely to receive from SEBI will make much of a difference to the government's overall fiscal situation. So the amendment to the SEBI Act seems to be clearly motivated by the desire to increase control over the regulator rather than by financial considerations. This is particularly so given that the recent amendments require SEBI to seek approval from the government to go ahead with its capital expenditure plans.

A regulatory agency that is at the government's mercy to run its financial and administrative operations cannot be expected to be independent. Further, the lack of financial autonomy can affect SEBI's plans to improve the quality of its operations by investing in new technologies and other requirements to upgrade market infrastructure. This can affect the health of India's **financial markets** in the long run. In the larger picture, this is not the first time that the government at the Centre has gone after independent agencies. The Reserve Bank of India and the National Sample Survey Office have come under pressure in recent months, and the latest move on SEBI adds to this worrisome trend of independent agencies being subordinated by the government. The Centre perhaps believes it can do a better job of regulating the economy by consolidating all existing powers under the Finance Ministry. But such centralisation of powers will be risky. Regulatory agencies such as SEBI need to be given full powers over their assets and be made accountable to Parliament. Stripping them of their powers by subsuming them under the wings of the government will affect their credibility.

#### **Meanings of Difficult Words :**

- **suck up** (phrasal verb) – suck out, remove/take, take away, withdraw.
- **surplus** (noun) – generation of goods, services, and resources (such as capital) exceeds their consumption.
- **at the mercy of** (phrase) – in the power of, in the control of, under the control of.

- **clip the wings of** (phrase) – restrict someone’s freedom, keep under control, obstruct.
- **go down well** (phrase) – make an impression, have an impact, be successful.
- **budge** (verb) – change one’s mind, change the position of, give way/compromise.
- **plea** (noun) – request, appeal, entreaty.
- **pave the way for** (phrase) – prepare for, get ready for, usher in/precede.
- **prima facie** (adverb/adjective) – something (first impression) considered as right until proved.
- **rationale** (noun) – reason/basis; principle.
- **confiscate** (verb) – to seize/take away something (property) from someone as a penalty/punishment by a government or other public authority; appropriate, impound.
- **quantum** (noun) – portion, part, division.
- **given** (adjective) – decided, prearranged, predetermined.
- **seek** (verb) – ask for, request, appeal/call on.
- **in the long run** (phrase) – eventually, in the end, ultimately.
- **larger picture** (phrase) – the situation as a whole.
- **go after** (phrasal verb) – pursue/follow someone in order to catch & stop.
- **come under** (phrasal verb) – be subjected to.
- **worrisome** (adjective) – worrying, distressing/upsetting, troublesome.
- **subordinate** (verb) – make dependent on something else; treat as of lesser importance than something else.
- **consolidate** (verb) – strengthen, reinforce, fortify.
- **centralisation** (noun) – the process of having functions, powers, people or things only in a central location or authority.
- **accountable** (adjective) – answerable, responsible.
- **strip of** (verb) – take away from, dispossess, deprive/confiscate, deny.
- **subsume** (verb) – include, encompass, incorporate.
- **under someone’s wings** (phrase) – protected by someone; guided by someone.
- **credibility** (noun) – trustworthiness, reliability, integrity.

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## rs e correction – **The NEP and liberal arts education**

### **The draft’s endorsement of critical thinking would have gained credibility if it had promoted liberal values**

A few months ago, a **school** principal told me about her conversation in the morning assembly with children of the middle (Grades VI-VIII) section. She had asked them for suggestions to turn the school into heaven. Some children suggested a garden, with trees, grass, and flowers blossoming all year round. Others pointed out that the school already had a nice garden. They suggested that heaven should have peace, so we should end all fights. The assembly ended with everyone taking a vow to stop all fighting in the school to make it like heaven. A short while later, two boys came scuffling into the principal’s office, quarrelling and seeking her intervention. On inquiry, one of them said, “Ma’am, didn’t

you say you want our school to be like heaven?" Then he pointed at the other boy and asked, "What is he doing here, Ma'am? He fights with me all the time."

This story came back to me when I started reading the section on higher education in the 480-page **draft of the National Education Policy (NEP)**. I had completed my reading of the section on school education, so I was ready to be told how a future generation that spends its school years under the guidance of the proposed new policy will spend its college years. For improvement in learning at school, the draft NEP wants critical thinking and creativity to be treated as the cornerstones of intellectual development from early childhood onwards. As a term, critical thinking or inquiry has gained enormous popularity of late. It does not mean 'critical' in the common sense. How the term has evolved in recent educational theory implies the ability to place ideas and problems in a larger context in order to locate creative links and clues by using information and concepts drawn from different subjects. Imagine our youngsters proceeding to higher education after this kind of intellectual training at school: you can picture a transformed college classroom.

### **Pivotal to reform**

In the draft NEP, the section for higher education opens with 'liberal arts' as the key to reform. This is another term that has been gaining currency in India over recent years, but its history is rather different from that of critical thinking. In India, owing to our colonial history, we are more used to the term 'liberal'. In modern education, 'liberal arts' refers to undergraduate courses in America's elite private universities. For years, I have been looking for a suitable term in my mother tongue, i.e. Hindi, to convey the many layers of meaning underlying the word 'liberal'. The common translation is 'udaar' or large-hearted. (I am sure this is the term they will use when the draft NEP is made available in Hindi.) The idea of liberalism as large-heartedness or intellectual generosity ran into trouble when 'neo-liberalism' gained centre-stage in economic policy. The only way one might notice some generosity in it was by recognising the state's willingness to loosen its grip. Neo-liberalism has now settled in, transcending ideological boundaries, but its impact on liberal arts education in America is far from clear. Many scholars have suggested that the turn towards neo-liberal policies has weakened critical thinking in liberal arts courses. This matter has suddenly become relevant for us in the wake of the draft NEP proposing both critical thinking and liberal arts, virtually in the same breath.

### **Applying critical thinking**

Implementing the draft NEP in my own mind, I thought of using critical thinking to reflect on the prospects of liberal training. The late Professor Ravinder Kumar, an eminent historian of modern politics, was a self-avowed liberal. I once heard him explain why liberalism is the hardest social doctrine to practice. He said the capacity to tolerate your adversaries, with curiosity to understand them, calls for a mutual agreement. If there is no such consensus, i.e. liberal outlook is practised by one side only, it can be frustrating, and might even lead to a tragic failure of liberalism itself. When I hear about liberal arts courses being offered in private universities, I often wonder what future awaits them. How will they face a world in which the 'narrow domestic walls' are rising higher and higher? This metaphor was used by Tagore, a bold liberal, who wanted India to become a 'heaven of freedom'. 'Where knowledge is free', the same poem said. The liberal arts undergraduate courses I am referring are to cost Rs.8 lakh per year.

The draft NEP's support for liberal arts comes with a plea for increased public funding. It also cites employability as a justification. Even more interestingly, the argument excavates historical grounding. It says: "Indian universities such as Takshshila and Nalanda... definitively emphasised the liberal arts and liberal education tradition.... The critical Indian concept of liberal arts has indeed become extremely important in the modern day employment landscape of the 21st century, and liberal arts education of this kind is already being extensively implemented today (e.g. in the United States in Ivy League schools) with great success. It is time India also brought back this great tradition back to its place of origin."

The resounding, elaborate commendation of liberal arts in the draft NEP brought me back to the principal's story about turning her school into heaven. The boy who asked her about his classmate — "What is he doing here, Ma'am?" — was asking a fundamental question pertinent to the future of liberal values. The youngster's query demonstrates that he has internalised the spirit of the age. Many children do that. Their questions carry valuable material to understand our times better and more objectively than we might be able to do as adults, submerged as we are in our ethos, feeling forced to cope with it. The boy's query contained the hope that principal Ma'am, being the custodian of heaven, will exercise her authority to adjudicate in his fight. What were her choices? There were mainly two: to expel the alleged fighter or to ask the complainer to talk to his adversary. Only the latter would qualify as a liberal administrative measure.

Perhaps this is what the draft NEP also wants in its push for the liberal arts, as a futuristic substitute for the monochromatic 'BA' our system is used to and stuck in. Since the draft NEP is committed to critical thinking, surely its writers had cast a glance at the larger ethos and noticed the demise of several bastions of liberal education. Had they evinced even moderate concern, their endorsement of the liberal arts would have gained credibility. Unless liberal arts graduates are to be produced exclusively for export, their training would have to include the smartness to not let anyone know what exactly you believe in. One suspects that their American counterparts already receive such training.

Let me get back to the heaven alluded to in the principal's story. Trees and peace apart, a school turned into heaven will surely have to resolve the problem of fear, so endemic to our education system. The boy who wanted the principal to adjudicate was not afraid of indicating to her his own preferred solution. It was implied in the question: 'What is he doing here?' This stance also carries the hope of impunity from being charged of intolerance. As a grown-up he might say: 'If we want to preserve our neatly fenced heaven, why can't we expel from it the people we don't appreciate?' We might add: isn't this already being argued in many liberal countries, so why should we hesitate? My principal friend, however, followed her instinctive good sense and sent the two boys away, asking them to talk it over and play without a quarrel together.

### **Meanings of Difficult Words :**

- **liberal arts** (adjective) – literature, languages and history; writings, creative writing.
- **endorsement** (noun) – support, backing, approval.
- **credibility** (noun) – trustworthiness, reliability, integrity.
- **vow** (noun) – pledge, promise, assurance.
- **scuffle** (verb) – fight, struggle, tussle/quarrel
- **seek** (verb) – try, attempt, aim.
- **cornerstone** (noun) – focus/crux, fundamental principle, central component.

- **intellectual** (adjective) – mental, cerebral, cognitive.
- **enormous** (adjective) – huge, wide, extensive.
- **of late** (phrase) – recently, lately, in recent times.
- **evolve** (verb) – develop, unfold, happen/take place.
- **imply** (verb) – say indirectly, suggest, hint.
- **pivotal** (adjective) – central, crucial, vital/critical.
- **currency** (noun) – popularity, publicity, exposure.
- **owing to** (phrase) – because of, as a result of, on account of.
- **elite** (noun) – high society people; the group of most powerful people in a society.
- **underlie** (verb) – be fundamental, be basic, be essential.
- **liberalism** (noun) – a political philosophy founded on ideas of liberty and equality.
- **run into** (phrasal verb) – experience, encounter, meet with,.
- **generosity** (noun) – magnanimity, benevolence, kindness.
- **neo-liberalism** (noun) – new/revived liberal principles.
- **transcend** (verb) – surpass, outstrip, overstep.
- **ideological** (adjective) – dogmatic, doctrinal.
- **impact on** (verb) – affect, influence, make an impression.
- **far from** (phrase) – not, not at all, nowhere near.
- **in the wake of** (phrase) – aftermath, as a result of, because of.
- **virtually** (adverb) – almost, nearly, close to.
- **in the same breath** (phrase) – in the same statement.
- **reflect on** (phrasal verb) – think about, contemplate, consider/mull over.
- **prospects** (noun) – chances, opportunities, possibilities.
- **eminent** (adjective) – distinguished, renowned, esteemed.
- **self-avowed** (adjective) – (self) asserted, admitted.
- **doctrine** (noun) – principle, belief, rule.
- **adversary** (noun) – rival, enemy, nemesis/opponent.
- **curiosity** (noun) – strong desire, interest.
- **call for** (phrasal verb) – require, publicly ask/necessitate, demand.
- **consensus** (noun) – an idea or opinion that is shared by all the people in a group. agreement, concurrence.
- **outlook** (noun) – prospects, expectations, hopes.
- **frustrate** (verb) – thwart, defeat, disappoint.
- **await** (verb) – wait for, expect, look for.
- **metaphor** (noun) – figure of speech, figurative expression, comparison/symbol.
- **excavate** (verb) – dig out, cut out, hollow out.
- **emphasise** (verb) – draw attention to, highlight, make a point of.
- **landscape** (noun) – the distinctive features of a field of activity.
- **commendation** (noun) – praise, credit, regard.
- **pertinent** (adjective) – relevant, to the point, applicable.
- **spirit** (noun) – ethos, morale/ethics, essence/principles.
- **objectively** (adverb) – actually.

- **ethos** (noun) – ethics/beliefs, principles, standards.
- **custodian** (noun) – curator, guardian; caretaker/protector.
- **adjudicate** (verb) – judge, give a verdict on; decide, settle/resolve.
- **futuristic** (adjective) – original, innovatory, new.
- **demise** (noun) – end, disintegration, fall.
- **bastion** (noun) – stronghold, bulwark, mainstay.
- **evince** (verb) – reveal, indicate, make clear.
- **counterpart** (noun) – a person who serves the same job/function but in a different location; equivalent.
- **allude to** (verb) – refer to, imply, mention.
- **endemic** (adjective) – widespread, prevailing, common/ubiquitous.
- **stance** (noun) – attitude, outlook, point of view.
- **impunity** (noun) – immunity, exemption/freedom from punishment, special treatment.
- **intolerance** (noun) – prejudice, bias, bigotry/partisanship.
- **fence** (verb) – bound, circle, enclose.
- **expel** (verb) – oust, remove/throw out, deport.
- **hesitate** (verb) – pause/wait, delay, hang back.
- **instinctive** (adjective) – intuitive, natural/innate, inborn/inherent.
- **talk something over** (phrasal verb) – discuss something thoroughly.

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## Course correction – **Resolution, at last: on Essar Steel case**

### Unpresidential slant: on Donald Trump's tweets

#### Trump's racist tweets risk damaging the fabric of American society further

A visceral debate on racism and immigration has again gripped the United States, **after President Donald Trump attacked four Democratic Congresswomen of colour**, asking them to return to the “totally broken and crime infested places from which they came”. His tweets raised a furore over their racist tenor and exacerbated the sense of bitter polarisation, given the strident ongoing debate over Mr. Trump's zero-tolerance approach toward undocumented migration. The House of Representatives, under Democratic control, voted to condemn Mr. Trump's remarks as racist, **marking the first such reprimand of a sitting President in over a century**. Not only did that Congressional rebuke to Mr. Trump pass mostly along partisan lines, by a vote of 240 to 187, but other senior Republicans including Senate majority leader Mitch McConnell defended the President against the racist label. Nevertheless, Mr. Trump hit back again at the four Congresswomen — who have adopted the moniker “the Squad” — on Twitter for what he called their “horrible and disgusting actions”, “racist hatred”, and for being “anti-America”, “anti-Semitic”, and possibly communist sympathisers.

Stepping back from the immediate, acerbic terms of this exchange, the bigger concern is that these hateful comments risk damaging the fabric of American society further, as they are an unmistakable and painful hint from their President that legal immigrants, especially people of colour, are not welcome.



Yet, there can be no denying the significance of immigrants as a demographic cohort of the country. More than 44.5 million immigrants, at least 13.7% of the overall population, reside in the U.S.; one in seven U.S. residents is foreign-born. Mexicans, Indians and Chinese immigrants are respectively the largest sub-groups within this cohort. It was little surprise then, that Ilhan Omar, one of Mr. Trump's targets, situated the comments in the agenda of white nationalism, arguing that given the direct contravention of U.S. constitutional values implied, it was time to consider impeaching him. Yet impeachment would be an option only if the Senate were also to come under Democratic control, or if there might be some conceivable reason why Republicans would break with their recent record of siding with Mr. Trump no matter how egregious his conduct. A more tedious, but deep-rooted approach would be for liberals of all hues to engage in a meaningful dialogue with their conservative detractors, over what they could agree on as a common minimum agenda and values that could anchor their nation's march into the 21st century. If a nationwide conversation of this sort, aimed at discovering a reasonable middle ground is not undertaken, the very idea of the American dream, of a meritocracy built on harnessing talent from around the world, will unravel fast.

### **Meanings of Difficult Words :**

- **slant** (noun) – point of view, standpoint, perspective.
- **racist** (adjective) – prejudiced, discriminatory, intolerant.
- **fabric** (noun) – structure, framework, form, constitution.
- **visceral** (adjective) – full of strong emotions without any logic, not intellectual, instinctive, unreasoning.
- **infested** (adjective) – overrun, ridden, plagued.
- **furor (or) furore** (noun) – commotion, uproar, outcry/agitation.
- **tenor** (noun) – the general content/meaning.
- **exacerbate** (verb) – make worse, worsen, aggravate, compound.
- **bitter** (noun) – savage, hostile, ferocious/resentful.
- **polarisation** (noun) – separation of two contrasting groups (based on different opinions/beliefs).
- **strident** (adjective) – blatant, high-pitched, loud & harsh.
- "zero-tolerance policy" (noun) – it prohibits both attempted illegal entry and illegal entry into the United States by an alien. **alien** (noun) – non-native, outsider, stranger.
- **reprimand** (noun) – disapproval, rebuke/reproval, criticism.
- **partisan** (adjective) – biased, prejudiced, one-sided.
- **nevertheless** (adverb) – in spite of that, notwithstanding, however.
- **hit back** (phrase) – respond to, reply to, counter.
- **moniker** (noun) – nickname, label, title.
- **disgusting** (adjective) – horrifying, shocking, appalling.
- **hatred** (noun) – dislike, hostility, resentment/aversion.
- **anti-semitic** (adjective) – relating to the hostility to, prejudice, or discrimination against Jews.
- **sympathiser** (noun) – supporter, well wisher, ally.
- **step back** (phrasal verb) – withdraw, disengage, pull out/pull back.
- **acerbic** (adjective) – sharp, stinging/razor-edged, satirical/sarcastic.
- **unmistakable** (adjective) – distinctive, distinct, well defined.

- **person\_of\_colour** (noun) – any person who is not European American or white.
- **immigrant** (noun) – non-native, foreigner, migrant.
- there is no denying (phrase) – it is undoubtedly true.
- **cohort** (noun) – group, generation, category/section.
- **contravention** (noun) – breach, violation, infringement.
- **imply** (verb) – say indirectly, suggest, hint.
- **impeach** (verb) – charge or accuse/indict (a public official) with a crime done while in office.
- **impeachment** (noun) – the act of charging or accusing (a public official) with a crime done while in office.
- **conceivable** (adjective) – imaginable, understandable, comprehensible.
- **break with** (verb) – act in a way that is not in line with tradition.
- **side with** (verb) – support, back, stand by, stand up for.
- **tedious** (adjective) – dull, boring, uninteresting/unexciting.
- **hue** (noun) – complexion, type, kind/aspect/character.
- **detractor** (noun) – critic, fault-finder, censurer.
- **anchor** (verb) – secure/attach, connect/bind, provide a basis.
- **of a sort** (phrase) – of a somewhat unusual.
- **the middle ground** (noun) – agreement, understanding, settlement.
- the very idea of (phrase) – used to place emphasis on the subject of.
- **meritocracy** (noun) – a political system in which economic goods and/or political power are vested in individual people on the basis of talent, effort, and achievement, rather than factors such as heredity or wealth.
- **build on** (phrasal verb) – develop, enhance, expand on.
- **harness** (verb) – put to use, utilize/exploit, make use of.
- **unravel** (verb) – resolve, solve, uncover/unfold.

### WORD OF THE DAY

#### **WORD OF THE DAY INFLAMMATORY**

Today's "Word of the Day" is **inflammatory** and it is a adjective meaning "provocative, provoking, agitating, fomenting".

☞ **"Don't Worry About Failures,  
Worry About The Chances You Miss When You Don't Even Try."** ☞