

Unanswered questions

Follow global best practices for Aarogya app

The government has attempted to address widespread privacy concerns about the Aarogya Setu app by releasing an executive order that details some knowledge-sharing protocols. While this is an improvement on the initial opacity, it is still not enough to address all concerns. The contact-tracing app has gone through several controversies, as downloads approach the 100-million mark. One concern is that it will be exclusionary if it is made mandatory for travel on all modes of public transport, as seems the case. It cannot be run except on a smartphone and almost by definition, mobile subscribers from lower-income groups don't possess smartphones.

The knowledge-sharing protocol says data will be shared with a plethora of government institutions, including sundry state governments, and it may be shared if "necessary" with third parties. It will be provided anonymised to third parties outside government — this could be universities and research institutions, and laboratories conducting studies of the virus. The data will be held for a maximum of 180 days unless the period for app usage is extended. After that it will be deleted. Private data pertaining to individuals will be destroyed after 30 days if they are not infected, and in 60 days if they have recovered from infection.

There are many disturbing gaps in the

protocol as released. First of all, 30 days of location data is enough to give a blueprint of any user's lifestyle. Second, there is no clear list of third parties that could be given data access and it is not clearly delineated what circumstances could lead to such data being shared. The anonymisation process has also not been detailed. It is easy to reverse anonymised data unless some very stringent procedures are followed. Hence, assurance of anonymisation does not bring as much comfort as it should.

The app is not open-source, which means that it is still not clear if it has bugs. That there are some bugs has already been demonstrated. Within 24 hours of release, at least two "white-hat" hackers had broken the code. The first revealed data leaks, which made it possible for users to pinpoint locations of persons marked red, and also those who claimed to feel unwell in government institutions such as the Prime Minister's

Office and Ministry of Home Affairs. The second hacker demonstrated that the app could be disabled or bypassed to show green signals. The app collects data way more than similar ones developed by Singapore, Israel, and the MIT. While much of the data collected by Aarogya stays on the device, it can be uploaded to a cloud server too if the government chooses. The security of cloud servers involved is unclear.

Singapore and Israel are among many governments that have released contact-tracing apps, while Apple and Google are also developing similar apps. The differences are not in favour of Aarogya. Most governments have made such apps voluntary instead of mandatory. Singapore and Israel have both released source codes for their respective apps, which makes it possible for independent researchers to rapidly pinpoint bugs. The Singapore app uses only Bluetooth technology, which helps identify

proximity to a "red user" without revealing the user locations, unlike Aarogya, which pinpoints user locations with GPS. All data is stored on the user's handset and made available to the Singapore government only upon specific request.

Given the lack of a specific personal data protection law, it was incumbent on the government to make the app open-source and voluntary. This is especially true, given the difficulty of low-income groups in acquiring smartphones. The knowledge-sharing protocols offer some comfort but seem insufficient. The government needs to be more open about source-code and it needs to reduce the data the app collects by default. The app was designed for a specific purpose. Global best practices indicate that it collects far more data than required for that purpose and it is also unclear how efficacious it actually is. A review of the app and more detail on the data sharing would be welcome.

In search of the right prescription

Policy predictability and an unambiguous long-term blueprint are essential for private investors

ALOK SHEEL

In a televised address to the nation on May 12, the Prime Minister launched the Atma-Nirbhar (self-reliance) Bharat Abhiyan with a stimulus component of ₹20 trillion, equivalent to 10 per cent of gross domestic product (GDP), to tide over the current Covid-19-related crisis. The headline number is substantial and comparable with those put together in similar circumstances by advanced economies such as the US, the UK, Japan and the European Union, where the numbers range between 10-20 per cent of GDP. He also proposed to leverage the crisis to make India self-reliant.

India's Atma-Nirbhar Abhiyan therefore appears to be a mix of macroeconomic stabilisation and structural reform policies. The Indian package comprises executive announcements and not legislation. It is therefore difficult to cut through duplication to determine what is part of ongoing budgeted schemes and what is the additionality.

Be it as it may, to compare the size of the fiscal stimulus announced with those of other major economies, we need to strip away the monetary policy component (about 50 per cent) and credit through banks and non-banking finance companies (about 25 per cent) for micro, small and medium enterprises (MSMEs). The actual fiscal component, including the 0.9 per cent announced earlier in March, is therefore a maximum of 2.5 per cent of GDP, comparable with China's. The new commitment (1.6 per cent of GDP) is equally divided between revenue foregone, bank recapitalisation and welfare measures such as direct benefit transfers, succour for migrant labour and farmers, Mahatma Gandhi National Rural Employment Guarantee Scheme, and health.

By way of comparison, at least two thirds of the \$3 trillion (14.3 per cent of GDP) mandated under four Acts in the US comprises additional funds directly from the Treasury. The remaining \$1.2 trillion earmarked for companies and small business is a mix of new treasury loans and guarantees. The Federal Reserve is chipping in separately through monetary easing, targeted credit support and unconventional policies, having expanded its balance sheet by over \$2 trillion since March. On an apple-to-apple basis, the US stimulus is 25 per cent of GDP compared to India's 10 per cent.

There is unemployment on a vast scale, dislocation of migrant labour and state governments are at the forefront of dealing with this over and above the public health crisis. However, there is very little in the Indian package for direct income support to individuals/families and for states and local governments, which comprises almost half the US package.

The Indian stimulus package mostly seeks to inject liquidity and credit at a time when demand for both is low. Liquidity injections by the RBI were finding their way back through reverse repo, investment in treasury bonds and stock markets rather than into real investment even prior to the Covid-19 crisis. Credit offtake was weak, and the large overhang of non-performing assets made banks reluctant to lend. The big role assigned to them in the stimulus package can only add to this stress. Bank recapitalisation and sovereign guarantee for MSME loans provides some mitigation, but the devil lies in the details and implementation.

The roots of the current crisis do not lie in the financial system, where providing liquidity plays a big role; nor is this a typical recession where the cost of money set by monetary authorities has a major role. There is a sudden sharp contraction in both private and corporate incomes on account of public policy. Fiscal policy needs to do the heavy lifting in



A significant share of the stimulus announced so far comprises liquidity infusions by the Reserve Bank of India

emerging markets, as in advanced economies.

The objectives of the structural reforms proposed by the PM are unclear at this stage. Is there a shift in focus from making India globally competitive in an open market economy, which is implicit in Make in India, to making India self-reliant in a closed non-market one? The PM also talked of making India competitive in global supply chains. But the two objectives undercut each other. Self-reliance is reminiscent of the Nehru-Indira Gandhi era of import substitution industrialisation that led to a high-cost, low "Hindu" rate of growth characterised by inefficient resource allocation. A license-control-permit Raj and high tariff barriers were the bedrock on which this model operated.

Several post-colonial countries initially followed this model in view of the industrial success of Soviet Russia, and their earlier experience with the "imperialism of free trade". With East Asia changing tack in the 1970s, China in the 1980s, and the collapse of the Soviet Union coinciding with our own balance of payments crisis of 1991, this model was abandoned by every country that grew rapidly, including our own. Sans imperialism, free trade worked for them, as they were more competitive. It makes economic and geopolitical sense for emerging markets like China and India to defend free trade and globalisation at a time western countries seem disenchanted with both.

Surely, the intention is not to turn the clock back! There would be areas where the country would not be competitive, so tariff walls would need to be raised to make investment in those areas profitable, or state subsidies given, neither of which is compliant with the World Trade Organisation. Would the state then step in and invest directly in these areas? It is also difficult to see India self-reliant in areas such as POL (petroleum, oil and lubricants) or diamond roughs,

which are a major part of the economy.

This is not an argument against structural reforms or self-reliance in strategic areas. It is about their appropriateness and timing. Market-oriented agricultural reforms announced by the finance minister are in the right direction. However, they are nothing new, awaiting implementation. Structural reforms need fiscal support to cushion the pain, over and above the fiscal support to counteract the pain of crisis. The Covid-19 crisis has created short-term unemployment on a massive scale. Labour reforms at this juncture will only magnify the pain, making several job losses permanent and magnifying the travails of migrant labour. Painful structural reforms in the midst of a crisis was the original sign of International Monetary Fund (IMF) structural adjustment programmes, often leading to a further decline in growth. The success of India's IMF programme was contingent on consistently bucking fiscal deficit targets.

India remains the fastest growing major economy because it is in a demographic sweet zone and remains a demand-driven economy in a demand-constrained world. The paramount objective at this point is to get back to potential growth by stimulating demand and getting the confidence of private investors back on the one hand, and expanding credit supply by cleaning up bank balance sheets (which is long overdue) on the other.

Investor confidence has been hit by policy unpredictability arising from demonetisation, roll-back of tax reforms, increasing government intervention, and now the suddenness of the lockdown and micro-management. There are added fears about the prognosis of Covid-19 for India, on which Tuesday's address had little to say. More uncertainty now about the trajectory of the Indian model going forward would frighten investors further. Policy predictability based on an unambiguous long-term blueprint that is seen to be adhered to is essential for investor confidence in a market economy.

The author is RBI chair professor, ICRIER

What it will take to live with the virus

PAVITRA MOHAN & JAGDISH RATTANANI

There is belated realisation among health experts, policymakers and elected representatives that the SARS Coronavirus type 2 (SARS-CoV-2) is here to stay. It will continue to cause the Covid-19 disease seasonally and sporadically until we get a vaccine, which will, even by optimistic estimates, take two years at least to be tested, cleared and mass produced. This means the strategy to fight the war must change. We will still need some protective measures. What would these measures look like?

Fear of the disease and stigma associated with it has led to anxiety, social disharmony and a rise in mental illnesses. In many parts of India, the perception still abounds that those with the virus must be "caught" and brought by police to hospitals that now sometimes carry the images of jails. Police guards, barricades, locked exits — all contribute to the image of an infected person as one to be shunned, locked in and forced to stay in hospitals. This carries the risk of people turning away from medical intervention for all diseases and vaccinations. We must end fear and stigma.

Inadequate understanding of the disease and how it spreads has also led to exaggerated fear. Governments also need to refrain from disclosing names and details of families affected by Covid-19 or of those who have returned from areas affected by Covid-19. The government of Odisha showed early on that it is possible to manage the epidemic while maintaining confidentiality. In the long run, addressing stigma is essential for managing an epidemic and reducing the harm, as the experience of the HIV epidemic has taught us.

We estimate that since we first started counting deaths due to Covid-19, about 2.5 million people would have died in India due to causes not related to Covid-19. In addition, the lockdown and scaling down of health services has led to significant reduction in provision and utilisation of health services. As a result, India may face lakhs of additional deaths in times to come. A modelling exercise by the Stop TB partnership showed that India is likely to see 150,000 to 500,000 additional deaths due to tuberculosis alone in years to come as a result of the lockdown, because of the disruption of TB-related health services. If we add up the impact on other conditions such as cancers, HIV and diabetes, the numbers of additional deaths would be considerable.

To prevent further loss, we have to resume the full scope of health services, with due caution, to minimise the incidence of Covid-19. Several healthcare organisations have shown that it is possible. The Tata Memorial Hospital decided early on to maintain its cancer care services, despite pressures from multiple sources to focus all its energies on Covid-19, to the exclusion of everything else. Lessons from this and other

er hospitals that ensured continuity of health care services would be helpful as other organisations resume services. Governments will have to issue clear guidelines that encourage and support all health care organisations, government or private, to resume the full scope of services.

At the moment, many Covid-19 cases are supposed to be managed at hospitals. For mild infections, there is no rationale for hospitalisation, since mild cases can stay at home and recover. We would of course need to adapt the principles of home isolation for rural areas or congested urban areas. In many rural areas, staying outdoors (in nearby fields or verandahs/compounds) is more feasible and more effective than staying indoors with other family members and cattle.

Also, moderately severe cases, which require supportive care and oxygen, can be managed at primary health care facilities. Increasingly, there are protocols for oxygen use, such as high flow nasal cannulae, which can be administered at primary care facilities, provided there is uninterrupted flow of oxygen. Such decentralised or distributed care would reduce anxieties among families, minimise risk of transmission and reduce overburdening of hospitals.

Surveillance is a backbone of any epidemic management. India's extensive primary health care network and Integrated Disease Surveillance Programme are well suited to perform the surveillance of the epidemic, and provide timely and contextual evidence on which to base the containment measures. Integrating the surveillance of Covid-19 infections with existing surveillance networks would make it more efficient and "organic" than having a separate structure for capturing the necessary information.

Lakhs of people, especially migrants, are forced to stay away from their families, in factories, work-sites, camps, or in quarantine centres. From a public health point of view, staying with families and in their own communities would enable much lesser spread and greater care. Staying in rural areas would also allow for closer surveillance. Once reunited and the anxieties allayed, migrants can take a call on how to resume their work, stay in rural areas or go back to urban areas.

Provision of improved housing and other amenities by host governments and employers would be crucial before migrant labour returns to the cities. The crowded and unsanitary conditions that they live in currently carry huge potential for transmission of the virus, besides being harmful in other ways.

Mohan is a paediatrician, public health expert and co-founder of Basic Healthcare Services. Rattanani is a journalist and faculty member at SPJIMR.

©The Billion Press

OTHER VIEWS

Changes in farm laws could yield sizeable returns

Government should not let go of this chance to transform Indian agriculture

The third tranche of the economic package announced by Finance Minister Nirmala Sitharaman on Friday focused on agriculture and allied activities and had two sets of measures: First, steps aimed at boosting credit flow to parts of the agri-ecosystem, though not backed by substantial allocations. The second, and arguably the more substantive part of the announcements related to the government's intention to amend the Essential Commodities Act, usher in agricultural marketing reforms, and put in place a legal framework to facilitate direct dealings between farmers and buyers — all of which, if implemented, could potentially deliver sizeable returns in the long term.

Ms Sitharaman announced the government's intention to amend the Essential Commodities Act. It imposes restrictions on holding of stocks and has disincentivised private players from making investments in the farm sector in warehousing and storage. As the situation exists today, farmers are bound to sell their produce only to licencees in APMCs. The Centre's move could end their stranglehold over agricultural trade. Put together, these two steps will enable farmers to sell their produce to anyone, and provide traders and organised retailers the flexibility to procure and stock food items. This could facilitate



private investment in the sector, strengthening the farm-to-fork chain, and benefiting both producers and consumers. While governments in the past have indicated their preference to carry out these much-needed reforms, they have shied away due to political compulsions. The NDA government should not let go of this moment to reform Indian agriculture.

The Indian Express, May 16

Reform, but respect nature

Do not undermine the environment

On May 12, Prime Minister Narendra Modi announced a ₹20 lakh crore economic package to overcome the current distress and the devastating impact of the lockdown on individuals and businesses, encourage domestic industry, attract investments, and create what he called a "self-reliant India". The PM also indicated that the government will undertake deeper structural reforms, across land, labour, and laws. While undertaking the reform process, however, India's fragile environment must not become a casualty. India's development path shows that there is a good chance of this happening because successive governments have veered towards the view that stringent environment pro-

tection laws hamper economic development. Unfortunately, the ministry of environment, forest and climate change's new draft Environment Impact Assessment (EIA), released in March, also seems to reflect the development versus environment outlook.

Undermining the environment will have an adverse effect on the economy, as well as the well-being of the people. This should have been starkly apparent, with the coronavirus pandemic attributed to human interferences such as deforestation, encroachment on animal habitats and biodiversity loss. Reform, but respect nature.

Hindustan Times, May 15

Cooperative federalism, please

Covid war: States must have full powers

A strong leader need not lead to the strengthening of governance, especially at the time of a pandemic. David Nabarro, the World Health Organisation's special envoy on Covid-19, stated that the key to succeeding in a globe that would have to learn to co-exist with the virus would be empowerment and capacity-building of local governments. Several chief ministers of states ruled by Opposition parties have made similar demands during their interactions with the prime minister, expressing their concern at the pressures being brought on India's federal apparatus.

The United States of America, the United Kingdom and India, nations that have been mesmerised by robust, charismatic leaders, have fal-

tered in their management of the disease. A non-centralised approach offers distinct advantages in the Indian context. For one, it leads to efficient governance at the roots — this may have been Mr Nabarro's message. States — Kerala is an example — are in a far better position to formulate containment strategies on the basis of their knowledge of local needs and conditions. The role of the Centre, ideally, should be that of a facilitator of money and material. There are fears that the Central apathy — disdain — has a political dimension. It would be disastrous for the health of the people and the country if petty politics is allowed to take precedence over federal unity.

The Telegraph, May 15