The government-RBI game

MARGINAL UTILITY

TCA SRINIVASA RAGHAVAN

In game theory, a zero-sum game is one where what is won is exactly equal to what is lost. If you examine the current debate on the government and the Reserve Bank of India (RBI) — or for that matter any debate on governments and central banks anywhere in the world — you will find that this is how it is discussed. What one side gains is exactly equal to what the other side loses.

But this is a bad way of discussing the issues, especially in the Indian context where we can have both sides losing or both sides gaining. For example, both sides win if the RBI makes more money available to the government without losing its reputation. And both sides lose if it loses its reputation in the process.

To avoid this is Governor Shaktikanta Das' biggest challenge. He has to convert the game from a non-cooperative one, which his two predecessors had made it, to a cooperative one. Indeed, it looks as if he has already done so.

The key difference between cooperative and non-cooperative games has to do with players' ability to confer and jointly plan strategies. Non-cooperative games assume players plan strategies separately, while cooperative games allow them to confer.

To see who sees it as a non-cooperative game, we have to ask the question: who sees the other's strategy as given, and then tries to do what's best for him, or who ignores the other completely. That is, who tries to consult with the other before deciding what to do.

Another important characteristic of a cooperative game is that cooperation is enforced by an external agency. In the case of central banks and governments, this external agency is the financial markets. In the context of the RBI and the government, a third feature of a cooperative game, therefore, would be to predict who will cooperate with whom — the governor with the government, the board with the government, the governor with the board, the board with the RSS and so on.

Finally, cooperative games don't need assumptions to be made about the bargaining powers of the players. Everything is known. Cooperative games are therefore easier to 'solve'.

This is why governor Das' job will be easier. Given that he is coming from the finance ministry, he must have a clear idea of how far he can push back and how much he can cooperate.

That is the essence of a cooperative game.

Personalities matter

Meanwhile, having become quite familiar with the relations between the RBI and the government since the former was set up in 1935, I can say this with complete confidence: while governments have always viewed it as a cooperative game, RBI governors can and sometimes do view it is a non-cooperative one.

Second, this tendency — perhaps involuntarily — became more pronounced after 2013 when Raghuram Rajan, an economist, took over as governor and got accentuated when Urjit Patel, another economist, succeeded him.

Not all economists set the game up as a non-cooperative one. After all, C Rangarajan and Bimal Jalan were both economists who became bureaucrats. They played the game as a cooperative one. Rajan and Patel didn't have the time to learn the skills needed to manage powerful politicians.

Unequal power

This kind of cooperation corresponds to a concept introduced in 1953 — yes, that long back — by an economist called Lloyd Shapley and is called the 'Shapley Value'. It assigns a unique distribution of the total surplus generated by the combination of all players.

The concept is based on the premise that the players will decide to share the gains, which are within reach, if and only if they cooperate. But everyone also has to contend with some players having more bargaining power, including the power to reduce the surplus to zero. Section 7 of the RBI Act is an example of this.

Governor Das' main problem today is no longer this government. His main problem is the assessment by the next government of the expected gains from starting social welfare programmes that can only be financed by the printing of notes. Mr Das will have to assess his expected losses in the form of higher inflation.

In other words, the game will shift, once again, to the two players assessing expected gains from financing growth or financing distribution. The Modi government failed to choose clearly between these two and fell between two stools. But that is another story, for another time.

In the meantime, keep your eye on unfunded deficits. The time may have come for the re-introduction for a new avatar of the ad hoc treasury bills.

Personally, I will judge Mr Das on how adroitly he does so.

The AGP's real dilemma

The Asom Gana Parishad's fears relating to the Citizenship (Amendment) Bill are not misplaced. But does the party still matter in Assam's politics?

PLAIN POLITICS

ADITI PHADNIS

Let us be clear. The Asom Gana Parishad (AGP) which recently walked out of the National Democratic Alliance (NDA), snapped its ties with the Bharatiya Janata Party (BJP) and got its ministers to step down from the state government, knows it is peripheral to the stability of the Sarbananda Sonowal government in Assam.

The BJP and AGP formed an alliance before the 2016 state election, in which the BJP won 61 of the 126 Assembly seats and the AGP got 14. Along with the Bodoland People's Front's 12, the BJP-led alliance's tally went up to 87, well above the half-way mark. The AGP's exit will make no difference to the ruling alliance's majority.

But paradoxically, the exit represents the AGP's fight for political relevance, even survival.

Prafulla Kumar Mahanta who led the AGP at the height of the Assam movement and became India's youngest chief minister at 33, is now in his late 60s. The party he once led is now a shadow of its former self and is headed by Atul Bora who heads a faction that is opposed to Mahanta. Many argue that the AGP's political eclipse is self-inflicted. The BJP and AGP had contested the 2001 Assembly elections in an alliance. But for the 2006 Assembly elections, the AGP allied with the Left parties instead. It returned to the BJP-led NDA for the 2009 Lok Sabha elections only to leave it before the Assembly elections two years later. Every alliance with the BJP cost the AGP its base and vote share. And the alliance in 2016 was especially disastrous because the BJP grew so much at the cost of the AGP that it was able to form a government for the first time in the history of the state.

Of all the strands that came together to cause the people's upsurge in Assam in the 1970s and 1980s resulting in the AGP's birth, one has remained: the problem of Bangladesh.

The others — neocolonialism by the centre, exploitation of Assam's natural resources without giving it anything in return etc — have faded into the background. But the problem of who an Assamese is, continues to be the primary political issue, even after all these years.

Assam still feels hunted and threatened by 'outsiders': Bengali Muslims, Bengali Hindus, Marwaris and north Indians, Bihari labour etc. But now, another category has been added to this list by the Citizenship Amendment Bill 2016, passed earlier this week by the Lok Sabha. This allows Bangladeshi Hindus to come to India, get citizenship and settle, to avoid religious persecution. As Bangladesh is just a few kilometers away from Assam, guess where they will all land?

The AGP doesn't want (open itals) any (close itals) outsiders to come and settle in Assam. Not Hindus, not Muslims, not tribals, not anyone. It wants no threats to Assam's traditions and culture. It left the NDA on this issue. It claims it had a pre-poll alliance with the BJP so the BJP was fully aware of the AGP's objections to legislation such as this. But the fact that the BJP went ahead and passed the Bill means it thought nothing of trampling on the feelings of an alliance partner.

For the BJP, the compulsions are different. In a perfect world it would have wanted to hang on to the AGP: but its sights are set on neighbouring West Bengal. It wants — if not to wrest the state from Mamata Banerjee — to make significant dents in Banerjee's vote base by hammering home the point that Bengali (and Bangladeshi) Muslims have become a favoured community under her regime, offering the Hindus of the state a grievance and an identity. It reckons that with the Citizenship Amendment Bill, it can kill two birds with one stone: Consolidate its base in Assam's Brahmaputra valley and create a profile for itself in West Bengal.

While it is not hard to understand the party's compulsions, the Citizenship Amendment Bill has only added to fears, insecurities and anxiety of Assam even as the National Register of Citizens rolls on completing its work of enrolling bona fide Indians as citizens and striking off the names of others from voters lists. On top of all this trauma is added another layer of worry — that hundreds of thousands of Hindus from Bangladesh will come trooping into Assam once the Citizenship Amendment Bill becomes an Act. How will they be fed? Housed? Educated? Whose land will they till?

These are the fears the AGP wants to articulate and harness politically. It believes the first step is walking out of the NDA. But is that enough? As perspicacious Assam watcher, Saubhadra Chatterji of Hindustan Times observed: "The AGP continues to have its office in Ambari, in the heart of Guwahati. But does it still have a place in the hearts of the Assamese?"

LUNCH WITH BS ▸ ROOPA KUDVA | MANAGING DIRECTOR | OMIDYAR NETWORK INDIA ADVISORS

Straight from the heart

Kudva tells **Anjuli Bhargava** that mandatory CSR will work better if corporations engaged their employees more meaningfully with their CSR agenda

After a career grappling the tempestuousness of the Indian stock markets and leading India's best-known credit agency for seven years, Roopa Kudva, the first woman to have headed Crisil, found herself at the crossroads at 50.

Her Crisil assignment — the organisation played a key role in bringing transparency into the Indian markets — was one she often describes as the "best job in the world" and one she stumbled into through serendipity. Yet continuing in that assignment would have meant "doing more of the same" and not making way for Generation Next.

Then, she felt that unshakeable tug of "wanting to give back" — even at the cost of it sounding like a cliché. She knew she wasn't cut out for the NGO circuit and could never be one of the *jholawalla* brigade. Business and the commercial principles that drive it were ingrained in her.

That's why when the US-headquartered Omidyar Network called her, it sounded like manna from heaven. It is an outfit that invested in early stage entrepreneurs who were using their business prowess and acumen to solve larger problems that society faced. What could be a better fit? It would be the perfect platform to leverage her own skills to make a difference. She knew a good balance sheet when she saw one and she also knew how to convert a not so happy balance sheet into a happier one. She understood industry sectors, what led businesses to succeed or fail and had an understanding of the power of business to do good if it so desired.

In July 2015, Kudva bid her old life goodbye and moved into her new one.

Kudva and I meet for lunch at Mumbai's Asian and Cantonese restaurant Yauatcha, a stone's throw from her office in the Bandra Kurla Complex (BKC). It's a place she's familiar with and likes, as do most of the BKC office-goers, I note. Barring a few leisure lunching tables, the restaurant is packed with people holding business meetings. The place is far noisier than we had anticipated but the food is exceptional as we soon discover. Time is at a premium for both of us and we get straight down to business — order quickly and get on with our conversation.

She's just returned from a global impact investor summit in Paris, where she learnt even more about what drives the sector globally, with impact assets of $240 billion today. She's happy that the youngsters she saw and met at the summit — several of whom will inherit millions of dollars in wealth — are quite concerned with how they put their money to use. More than ever before, she sees young people keen on using their money to solve global social problems — not narrowly focused on increasing their own wealth. Globally, impact investing is an idea whose time has come.

Kudva starts telling me what she sees happening already in India, what she doesn't and what she'd like to see more of. The country's impact investing sector is nascent and comprises the smallest bucket of funds aimed at doing good and solving larger problems — the other three being government funds, philanthropic grants and donations and CSR money.

While government funds often miss their target, a large number of philanthropists are wary of putting their money into impact investments as they don't understand the dual advantages: The ability of the impact sector to solve problems at scale and on a sustainable basis. She argues that philanthropists who want to "give away their wealth towards a cause" miss the fact that if the money multiplies, it doesn't mean they have to pocket the returns. She cites the example of Pierre Omidyar: The returns he earns through his for-profit investments are ploughed back into new start-ups that solve a new social problem or is given to a deserving not-for-profit. "Impact investing offers an opportunity to philanthropists and investors in India to align their investments with their values," she explains. Many charitable trusts and philanthropists in India are stuck in the old mindset where the NGO route is considered the only way to get to the nub of the problem.

A second trend she's delighted to note is that unlike some years ago, people from all walks of life — and not just social workers, activists and NGO stalwarts — are jumping in to solve India's social ills. "I meet people from the IITs, IIMs or Harvard or MIT — most Indians wants to engage with the country's most intractable problems. It's no longer restricted to a certain section," she adds. I can understand her delight because I meet such people often — be it in education, health care, social impact or waste management. It's almost as if Indians have collectively woken up to the reality that relying on the government to deliver the goods is wishful thinking.

She's also overjoyed to see a brand new wave of entrepreneurs who come from smaller towns and have personally experienced some of the problems they try to solve. "This helps them to relate to the problems and find solutions," she says. In her view, it's these entrepreneurs who will define the future of India in some sense in the coming decades. Besides the understanding of the problems, these entrepreneurs bring a new hunger and aspiration level never seen before. She compares the situation with the Indian cricket team. When she was growing up, most of the players came from Delhi, Mumbai and other big cities. Today, they come from the smallest towns and villages. "Places we have never even heard of," Kudva smiles.

Our food has arrived and deserves total attention. She has ordered a chicken soup and I a vegetarian version of the same. The rest of the fare is vegetarian, which we are sharing.

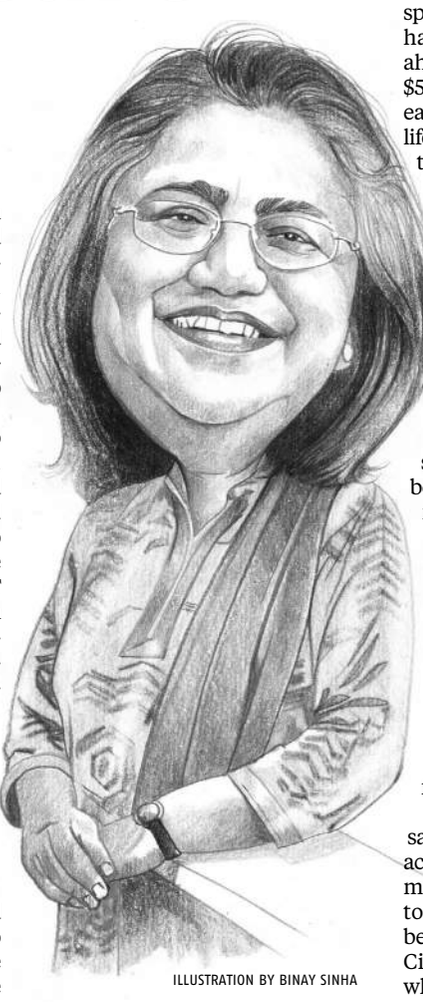

ILLUSTRATION BY BINAY SINHA

The food is excellent and the service is attentive without being intrusive. For bean lovers — if such a breed exists — I recommend a visit to Yautacha if only to eat the stir-fried beans there. The dish is good enough to convert die-hard carnivores.

As we eat, Kudva gives me a sense of where Omidyar has reached in the country. She tells me it is planning to double down on India. No surprises here, I think to myself: Which country can compare with ours in the sheer number of problems that need fixing? Omidyar has committed $250 million to 70 enterprises in India — both for-profit and not-for-profit — projects that are supposed to impact 300 million people in the country. The enterprises span a range of areas — financial inclusion, governance and citizen engagement, property rights, digital identity, education with a bias towards tech solutions and emerging technologies. Within this, she says, the organisation will focus on "white spaces" — virgin territory that others have not explored before. Going ahead, it expects to invest a further $55-60 million annually, largely on early-stage entrepreneurs. To make life easier, the parent has decided to let the baby fly and so Omidyar India is poised to become an autonomous unit soon, facilitating faster and more independent decision-making.

This, among other things, will add to the impact investing pie which is currently the smallest of all the money that is aimed at improving lives, including CSR funds. While she has nothing against CSR money, she feels that companies could do better by getting employees engaged more meaningfully in the overall CSR agenda. Making things mandatory, to her mind, is not really an answer as anything that doesn't come from the heart cannot compete with something that does. "Eventually those who drive it give it energy and decide the shape it takes," she argues. For whatever reason, corporate India is yet to put its heart into this, she feels.

Impact investment in India, she says, is at a tipping point. Currently, it accounts for only $1 billion of the total money floating around but it's likely to grow the fastest once people become more aware of its potential. Citing her own example, she says, when Omidyar Network approached her back in 2014 she'd heard the name and was aware that Jayant Sinha (currently minister of state for civil aviation) had headed it prior to his moving into politics but she didn't really know what it did. If someone like her who is reasonably up to date with what's going on didn't know, one can only imagine how low the awareness levels may be even today.

I know she has a meeting right after our lunch — as do I — so I shift gears and ask her what are her other interests. Is there more to Roopa Kudva than meets the eye? She enjoys travel — in particular to the northeast where she grew up — and reads — she's partial to biographies — but nothing holds her attention the way her work does.

It's an addiction she doesn't need to shake off.

Waste not, want not

PEOPLE LIKE THEM

KEYA SARKAR

The great thing about being in a small town is that all vendors come home. While in cities, you can now call for groceries or vegetables or fish and meat or shop online, it is a different pleasure to be able to choose from fresh vegetables or fish at one's doorstep.

Along with their wares on their cycle vans, the vendors are also the bearers of local happenings. On a recent morning visit our vegetable vendor informed us that, this year, the administration of Burdwan district has barred farmers from sowing the winter paddy as it is dependent solely on ground water.

As my husband and I discussed how grave the situation is, our conversation naturally veered towards the absolute indiscriminate wastage of water that we have seen at the Visva Bharati University. The university supplies water to its office buildings, hostels, staff quarters and people like us who live on university land (historically, these were given to those who were in some ways connected to the university). Unlike the Burdwan administration, the university authorities seem oblivious of any impending shortage of underground water. For years, we have observed that many of the university buildings, especially the residential ones like hostels and staff quarters have tanks overflowing three times a day. The overhead tanks of these buildings obviously have no float valves that stop the input once the tank is full.

In fact, there is a staff quarter opposite to the building where I run a craft shop. Almost everybody visiting my shop comments on it because to most aware adults such wastage of water is indeed alarming. Many times, the house is not even occupied. What is amazing is that nobody from the university seems to have even noticed.

My husband encounters these fountains on his morning walk daily but had not really done anything about it. Now with the Burdwan district alarm, he decided to talk to the person in charge of water supply. He spoke to him on the phone and explained what we were anxious about. He even offered to pool money and buy some float valves. The gentleman's response left my husband speechless. The gentleman said, firstly funds were not in short supply and they could afford to buy their own float valves, but that the overflows were deliberate. Apparently, the boys preferred to have their baths in the cascading waterfalls rather than in their bathrooms. And if the overflow stopped, they might complain to the higher authorities.

With the staff quarters, apparently, the issue was different. Since the water in Birbhum district in general and Visva Bharati in particular is very high in iron content, the faculty or non-teaching staff occupying the quarters think that an overflow three times a day might make the water in the tank somehow rid of the iron content.

Since my husband was talking to him on the phone, he couldn't make out if the gentleman was serious or was just thinking on his feet and making up these excuses.

Anyway, the gentleman did tell my husband to send him a list of buildings in which he has observed overflowing tanks. We have now sent him a long list and even videos of the waterfalls and we are keeping our fingers crossed.

Big can be beautiful too

PEOPLE LIKE US

KISHORE SINGH

The year has begun well. Our little farm has produced vegetables that, like Jack's beanstalk, growed and growed, till they were pulled out by an alarmed *maali*, who claims to have seen nothing like it in his life. The radish crop is humungous-sized, and the largest among them tipped over two feet in length, half that in circumference, and couldn't be weighed on the kitchen scale that is used for more delicate measurements. Ten days after it was farmed, we're still serving portions of it to guests with their drinks, and having it in salads for lunch and dinner — so please excuse our pungent breaths, ladies and gentlemen, but we're talking record here.

The cabbage seems to have metasized too, as if it's on steroids. Since each is the size of a football, every time we have cabbage — and we seem to have it a lot — there is much more of it to go around. Trouble is, a little cabbage is nice, a lot of it not so much. "But it's homegrown," says my wife, spooning extras into our plates. The dog, who eats everything you tip it under the table, seems not to like cabbage very much. The cleaning lady cannot understand why there's cooked cabbage under the dining table every morning.

Nature is a wonderful thing. None of us mind cauliflower so much because once it's off the stalk, you're done with it. Not so broccoli, which is hydra-headed, sprouting new heads as soon as the old are off. So, we've had an endless supply of it served up in myriad salads, because all those greens coming off the farm have to be consumed before they wilt too. My wife has endless ways of keeping us in broccoli — in soups, sandwiches, rice pulaos, rolls, with mayonnaise, mustard, honey dip, chilli relish, and, occasionally, just steamed and salted, which is the worst. "It has no taste," she says, as if that's a good thing. "Vodka has no taste either," I tell her. Between broccoli and vodka, I'm rooting for the latter.

Having got used to plenty, my wife is annoyed because the brinjals seem no larger than normal, and the tomatoes are smaller than the vegetable vendor's. Because she is sensitive about such things, my wife has been buying tomatoes from the market and passing them off as those from the farm when sending off little bundles to "the girls". The average age of the girls is — oh, never mind. The girls don't make much of it. "The cook never mentioned you sent us mustard greens," one says, because my wife likes fishing for compliments. "Potatoes, really," exclaims another, "but, darling, you know I'm off carbs."

The *maali* takes care of the vegetables, but a "gardener" manages the flowers, and they're an impoverished lot. The petunias have a pinched expression, the nasturtiums haven't made it beyond the bud stage, and the chrysanthemums are more stalk than blossom. The dahlias look like they might not survive the harsh cold, but spring might yet revive them. They're being fed a diet of compost that comes from the waste at home, mulched into the flower beds. Healthy it might be — and smelly too — but my bet is the flowers aren't over fond of the broccoli either. Or the radish. And they're letting us know.

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WEEKEND RUMINATIONS

T N NINAN

Still a Fudget

KP Geethakrishnan, finance secretary in the early 1990s, is credited with having called the Budget a Fudget — a reference to how the fiscal deficit was no different from many companies' profit announcements: Someone's version of the facts. Following the subsequent Budget presentation and before the cameras rolled at the follow-through TV show, your columnist asked the then chief consultant in the finance ministry, Ashok Desai, how much of a fudge the latest Budget numbers were. His typically crisp reply: "We have reduced the fudging by 50 per cent." Today, of course, Fudget is an app for managing your personal finances.

At the time the government was under pressure to meet conditions tied to a loan from the International Monetary Fund (IMF), one condition being the size of the deficit. In the early 1980s, there had been a previous IMF loan arrangement, and deficit targets to be met. In the event, the government did not draw the final tranche of that loan. This was presented at the time as an achievement, the claim being that India had got over its foreign exchange problem earlier than expected. The truth, as one of the finance ministry's then *dramatis personae* confided years later, was that the government, having fudged fiscal numbers to keep the IMF happy, found it impossible to continue doing so and decided it was simpler to terminate the loan arrangement.

Today there is no IMF loan and no loan conditionality, but the country has a fiscal responsibility law. This lays out a glide path for reducing the Centre's deficit progressively to 3 per cent of GDP. The original target date for achieving that has long gone, but government after government has veered from the glide path. The target dates have been set and re-set, and "pauses" announced. When all else has failed, governments have resorted inevitably to more Fudgets.

This last point is the burden of the Comptroller and Auditor General's (CAG's) latest report to Parliament. It details how various government expense items (like paying for subsidies and providing project finance) have been kept off the books, funded through sundry government-controlled financial agencies, or simply rolled over to the next year. Since the government follows an archaic cash accounting system that does not recognise future liabilities, the fudge is easy. Let it be noted that the CAG report has numbers that cover more than the period when Arun Jaitley has been finance minister, and goes back to the days of P Chidambaram.

How can one put the finance minister in more effective corsets? One long-recognised method, in effect recommended by the CAG, is to switch to a system that recognises and reports off-the-books liabilities. Another is to report to Parliament what is called the public sector borrowing requirement (or PSBR), a system that the British have long followed. This would present a fuller picture of what the government is up to with money, and recommends itself when it has become evident that the present government's fiscal record, while showing creditable consolidation, is only a part of the story. What is more, the level of government debt has been significantly understated.

The record of states is in some ways worse, as their deficit levels have climbed. As Sajjid Z Chinoy of JP Morgan has calculated, the PSBR for the Centre, states, off-balance sheet and government-owned entities, when taken together, was at 8.2 per cent of GDP in 2017-18 and no different from five years earlier. One could argue that, if the rate of inflation and the external account are under control, no harm has been done. But there are two caveats: First, interest rates would drop if governments borrowed less, and that would help growth. Second, the N K Singh committee has pointed out that the level of government debt, in relation to GDP, is too high. Mr Chinoy argues passionately for stopping the spate of giveaways being announced, lest they do macro-economic harm. Will Mr Jaitley listen, or is that expecting too much in pre-election season? The signs so far are not encouraging.

ILLUSTRATION: BINAY SINHA

Rahul Gandhi needs votes, not just retweets

His 'hate-Modi' campaign might hurt BJP but won't win votes for Congress because it doesn't know what its base is

NATIONAL INTEREST

SHEKHAR GUPTA

Once upon a nearly forgotten time, leaders in democracies talked to all citizens. When they were elected to office, they looked after the interests of all, including the very sizeable number who did not vote for them, because public office was public trust. Now they only talk to what is called their "base". The rest don't matter.

Donald Trump is called a ranting idiot and a racist so-and-so by millions. Yet, the nuttier he looks to them, the more his base adores him. All the rest can go take a walk. If you don't vote for me, don't expect anything from me.

Take Narendra Modi's BJP, for example. It rides the Hindu vote to power. So, it fields no Muslim candidate in the Lok Sabha and even the assembly elections in Uttar Pradesh, which has a Muslim population of more than 20 per cent, and sweeps both. They can afford to exclude the Muslims and mostly Dalits from power because they own the Savarna, most of the upper- and much of the middle-caste vote. That's why the 10 per cent reservation for them is one of the last big actions of their outgoing government.

So which constituency is Rahul Gandhi addressing? How does he define his base? Does he know what it is? Vanilla anti-Modi-ism can't be your only proposition to India.

We know that only 31 per cent Indians voted for Mr Modi in 2014 and you can presume many more dislike or disagree with him. They are entertained and encouraged by Rahul's relentless attacks on him. It doesn't follow that they will vote for him. If anger against Mr Modi is your only motivation, you will likely pick what you consider the best of the many choices available. In West Bengal it could be Mamata Banerjee; in Uttar Pradesh the SP/BSP; in Bihar Lalu Prasad; in Kerala the Left; and KCR, Naveen Patnaik and Arvind Kejriwal in Telangana, Odisha and Delhi, respectively. And so on.

Even if this Rahul single-mindedness results in such crippling damage to Mr Modi's image that people defeat him, does it follow that they will elect the Congress instead? Today, it is most unlikely. One proposition (Mr Modi is the worst) doesn't naturally lead to the other (the Congress is the best).

Until 1989, the Congress base was large enough to win everything: Lower castes, minorities, tribals, Brahmins, some middle castes and a large number of the very poor. The BJP was then limited to the urban trader and Hindu middle classes. That's why Indira Gandhi would derisively call the Jan Sangh/BJP a Baniya party, and almost never a Hindu party.

It follows that until she was in charge, the BJP could never call hers a "Muslim" party, which the waffling UPA decade, beginning with POTA (Prevention of Terrorism Act) repeal, enabled Mr Modi to do. Once Rajiv Gandhi began losing this base in 1989, the Congress had survived, and prospered by aggregating its remaining vote and anti-BJP political forces. After 2014, it will take more than that to bring the party back in the reckoning.

Approaching the big test about a hundred days from now, the Congress doesn't have a critical mass of loyal voters in any state today except probably Punjab. It shares the east-central heartland tribals with the BJP. Dalits are elsewhere, Muslims have other choices in key states (Uttar Pradesh, West Bengal, Bihar, and Assam), the urban middle-class, especially the large, sub-25 age group, is still essentially pro-Modi. You cannot build a new voter base simply by sweeping together all those disgruntled with Mr Modi under your tent. You can damage Mr Modi, but the benefit will be divided among many, friend and foe.

At this point, Rahul is following the Arvind Kejriwal-style of 2010-14. Using Anna Hazare, and much RSS throat power, Mr Kejriwal played a stellar role in destroying the credibility of the UPA, especially the Congress. It was done so masterfully that even Congress people themselves were too psyched out to defend themselves against corruption charges.

It is fashionable to give credit to the BJP and the Vivekananda Foundation, but the main weapon in that war against the Congress was Mr Kejriwal. He was young, trusted, incorruptible, and not bound by vocabularies and hypocrisies of conventional politics. He conjured up the "*sab chor hain*" image for the Congress party. It is just that most of the voters he persuaded to dump the Congress did not come to him. He had not built a base for that. His gains were confined to Delhi. Elsewhere, he only succeeded in diverting those voters to Mr Modi.

That is the peril of politics of pure negativity without offering an alternative. For that you need to define a target base first. This is where Rahul is in the danger of ending up. It is heady, and effective to be an insurgent, but there is enough evidence that all you can then do in a democracy is inflict damage, not win power, and gift it to someone else.

Rahul's success in the three heartland states, headline-hunting and most notably on Twitter, has fired the imagination of his intellectual supporters and the Modi-hating Left-liberal commentariat. But they count for too few votes and those millions of retweets and 'likes' are not counted by the EVMs. As in guerrilla warfare, Rahul has deftly adapted his tactics on the move. We are asking: What is the strategic outcome? What does it add up to?

To toss the slur of being a Muslim party, Rahul has been making televised visits to temples, flaunting his sacred thread and high Brahmin gotra. At the same time, his party has had to be muted on the key secular-liberal issues of the day: Triple talaq, Sabarimala, upper-caste reservation.

The same lack of conviction reflected in its convenient walkout from the Lok Sabha on this awful Citizenship Act amendment, which effectively codifies the Zionification of India. The debate, here, is not about Zionism. Israel set itself up as an ideological, Zionist state. India gave itself the opposite: A non-ideological, secular constitution. It's being challenged and the Congress can do no better than walk out. Both Hindus and Muslims in Assam and elsewhere are watching this.

It suits the BJP. This is what its base wants. When it calls the "illegal" immigrants termites, it applauds. If it amends the Constitution to "clarify" that only the Muslims among these are termites, they go rapturous. The Congress doesn't even know what its base is, or what it is that it wants to build in the next month or so as the campaign begins.

Pure, uncluttered anti-Modi-ism, however angry, can't be an ideology or an electoral alternative. The best it can do for you is damage Mr Modi enough for him to finish below 200. Can it enable you to cross 100 to begin with? Take a close look at the map of India, count state by state. By May, even if the people get greatly disillusioned with the BJP, the Congress will not be their default choice in too many states. That's Rahul's rude reality check.

By special arrangement with ThePrint

Quiet champions of the south

AL FRESCO

SUNIL SETHI

It was Salman Rushdie who observed many years ago that south India not only felt but functioned like another country. After a recent 10-day coast-to-coast journey in Kochi, then Chennai to Puducherry along the scenic East Coast Road — taking in the splendid 10-acre Dakshina Chitra "living" museum and the rock-cut temples of Mahabalipuram — Mr Rushdie's insight holds unshakably true.

There is a degree of civility, efficiency, cleanliness and cultural ease here that has all but vanished in the squalid, chaotic and rootless urban agglomerations of the Hindi heartland. Above the cash counter at a large highway eatery serving vegetarian thalis in Tamil Nadu was a notice in bold lettering that summed up the sense of fair play: *"Dear Customers, Pls. Demand Bill for Your Purchase. If not give call [three cell numbers given] to Get Your Purchase Absolutely Free."*

Kerala and Tamil Nadu are the quiet champions of India. You can banish the creeping trepidation of encounters with boorish, unhelpful functionaries, the push-and-shove of public places, or sullen drivers of smelly car-hailing rides who either fail to arrive, are often clueless about routes or unable to use GPS. In southern cities, Uber drivers answer promptly, arrive within minutes, and know their way about; officials may have gone to village schools but speak perfect English; pedestrian pavements are wide and women safe on the streets after dark.

Some reasons for these well-ordered standards of civic life are obvious: Both states have zero population growth, 100 per cent literacy, and high levels of investment in education, health care and public transport — Kochi's car ferries, for example, work to a clockwork time table.

Principal among the tangible changes I noticed is a shedding of provincialism for a surge in cosmopolitan confidence. A shining example of this is the fourth Kochi-Muziris Biennale, the country's biggest and longest international art show, an event so exhilarating in the city's historic Fort precinct that it makes exhibitions in Delhi, Mumbai and Bengaluru look like Cinderella's shop-soiled stepsisters. Despite the constraints imposed by last year's floods last year, the government came through with generous financial support; indeed, it helped marshall so many private sponsors, led by Yusuff Ali, the Gulf's supermarket king, that the list takes up 17 pages of the biennale's fat catalogue.

The world-class show continues till March 31, featuring some 99 artists from 30-odd countries in a dozen venues, many of them in restored government buildings and abandoned spice warehouses. For those planning a visit here are three top picks: South African artist William Kentridge's enthralling panoramic eight-screen video of a processional to the sound of brass bands; Shilpa Gupta's vast dark room installation of a 100 microphones and glimmering bulbs that echo the voices of poets; and Priya Ravish Mehra's haunting works with Kashmiri *rafugaars* (repairers of shawls) that reprise the pain of a body that did not heal. Ms Mehra succumbed to cancer last year and her art is a moving last testament.

The Kochi biennale is an institution-in-the-making but it is a novice as compared to the century-old musical *sabhas* of Chennai in January-February, the apogee of the cultural calendar. Something like a hundred venues feature the best in Carnatic music and classical dance; at the apex is the Music Academy, run by the city fathers, to regimental perfection. From early morning to late evening a succession of concerts follows an exact, well-advertised plan in a hall with state-of-the-art acoustics. No delay is brooked; no one gets in for free; excellent meals and coffee are served at precise breaks.

Nowhere else in the country can you encounter such engaged or knowledgeable audiences that come from distant cities. A senior executive I met said he bought family season tickets for two weeks each year. "It is my happiest time off." In its 90th cycle last month a star guest was Indra Nooyi, proud daughter of the city, and cousin of the classical vocalist Aruna Sairam.

One reason for the enduring success of these institutions is their independence from government interference, unlike New Delhi, where mouldering decay is hastened with philistine appointments and changing political dispensations.

Captivated by the zeitgeist, young professionals are moving south in search of not just a relaxed vibe but opportunities in the travel and hospitality business. A young couple from Mumbai moved to Kochi, they told me, not just for the quality of life but better prospects. They now run customised tours and a boutique aptly named "Kingdom of Calm". They enthusiastically Whatsapped me the best eateries including "the most fabulous Kerala beef fry".

In Puduchery's elegantly revived French quarter, Sid Saikia quit apparel exports in Delhi to put his savings into restoring a 19th century Indo-French courtyard house as a homestay. He calls it "Gratitude". A small brass plaque at the door reads: "If you are looking for a room please ring the doorbell."

The 18th century political philosopher Edmund Burke decreed that good manners were more important than good laws. Several aspects of south India are proof of his axiom.

Ideal worship

EYE CULTURE

KANIKA DATTA

In the 71st year of the creation of a country that was expected to be a modern one, priests and devotees have taken it upon themselves to flagrantly disobey a Supreme Court order and prevent women of child-bearing age to enter the Sabarimala temple. It took over three months from the time the order was pronounced for two women in their forties to finally enter the sanctum sanctorum, and they did so with the help of the secular apparatus of the state: A police escort.

Despite the statewide violence that broke out in protest, Kerala Chief Minister Pinarayi Vijayan took credit for complying with a judicial verdict. A stray entry in secrecy and haste scarcely amounts to observing the true spirit of the law. And no matter the length of a human chain of women demanding equality on New Year's Day, this exclusionary socio-religious practice will reassert itself unless Mr Vijayan follows up with some tangible enforcement.

Should he choose to do so, he could draw inspiration from an American president 61 years ago who confronted a societal issue no less febrile or seminal then than religion in India today: Racial segregation.

Dwight D Eisenhower is one of post-war America's underrated presidents. Famously profane, he brought to his presidency the simple pragmatism he learnt as supreme commander of the Allied Expeditionary Forces during World War II. The manner in which he chose to enforce a landmark Supreme Court ruling on desegregation in schools (*Brown* versus *Board of Education* of 1954) proved a model of courage and practical idealism.

In his magisterial 2012 biography of Eisenhower, Jean Edward Smith recounts the controversy that erupted in September 1957 in the Central High School at Little Rock, Arkansas, then a bastion of Jim Crow culture. Following *Brown* and related rulings, the Central High School board agreed to admit nine black students. The decision caused a furore among white supremacists, not least the Mothers' League of Little Rock Central High. The Arkansan governor called out the state National Guard claiming, falsely, that gun sales had soared and he needed to "protect the lives and property of citizens" (creating a fictitious emergency to fulfil a political agenda is clearly not new). He had Central High ringed by 250 guardsmen in full battle dress backed by a larger crowd of white demonstrators who blocked the black students from entering the school.

Eisenhower was determined to enforce the Supreme Court's mandate. He had doggedly extended his predecessor Harry Truman's order to desegregate the armed forces over considerable opposition and, after *Brown*, ordered desegregation in District of Columbia schools. Given the polarising nature of the dispute, he understood, too, the initial need for restraint. So he gave the Arkansas governor time to withdraw his troops (which he did) and announced that the court order would be "executed promptly and without disorder".

But when the school reopened on September 23, demonstrators proved so hostile that the black students were led away under police escort. Eisenhower then asked Army chief of staff Maxwell Taylor to call out units of the 101st Airborne. "In my career I have learned…that if you have to use force, use overwhelming force and save lives thereby," he told a colleague.

Leveraging his constitutional authority, an official proclamation ordered the demonstrators to disperse. The mob, however, grew, so Taylor was instructed to send the 101st to Little Rock immediately, and Eisenhower issued an Executive Order requisitioning the Arkansas National Guard for federal service. (Notably, the justice department instructed the 101st to prune units of black soldiers going to Arkansas.)

The next morning, when the usual hostile mob gathered, the area was cleared and the paratroopers escorted the children to school and back without further ado. This paratrooper escort handed off in late November to the National Guard, who continued the job for about a year. Eight of the nine students graduated from Central High and one became a bureaucrat in Jimmy Carter's government.

In an interview soon after this action, Eisenhower said his decision to use the army wasn't about desegregation or public order. "Goddamn it, it was the only thing I could do…It is a question of upholding the law – otherwise you have people shooting people." Recall, this was seven years before Lyndon Johnson's Voting Rights Act, which ended electoral discrimination for African-Americans.

In India, leveraging the machinery of state to settle disturbances arising from matters of faith is not unheard of. During the anti-Sikh riots, West Bengal Chief Minister Jyoti Basu placed Calcutta, with its significant Sikh minority, under curfew, avoiding the carnage that marked Delhi. After the demolition of the Babri Masjid, he called Defence Minister Sharad Pawar and deployed the army, saving the city's sizeable Muslim population from certain violence. On Sabarimala, detractors have argued over the propriety of the judiciary determining matters of personal faith. Mr Vijayan has countered that faith is not above the Constitution; he needs more robust action to underline the courage of his conviction.

Dept of Big Moves working overtime

INTER ALIA

MITALI SARAN

Well, 2019 has certainly hit the deck running. From the Department of Big Moves this January: After passing the Aadhaar Act in 2016 as a money bill—despite all the evidence presented for why it does not solve problems it was created to solve, and does create others including the documented starvation and death of some citizens— the Lok Sabha pushed through the Aadhaar Amendments Bill, which sneaks private players back into the game. *Asia Times* reported that based on an audio recording of a meeting between iSpirit and players who seek to build tech businesses off the Aadhaar database knew about the Aadhaar Amendments Bill before members of Parliament did. The for-profit, for-power collusion between the government and private players, is the engine that powers Aadhaar as it is today. The Aadhaar Amendments Bill gives private parties unregulated access to voluntarily given Aadhaar data, since the government has not first framed a data protection bill, as it should have.

Everyone knows that Alok Verma, chief of the Central Bureau of Investigation, was 'sent on leave' by the government last October; but if you blinked this January, you missed his reinstatement by the Supreme Court, followed—blink—by his sacking and transfer to the General Fire Service, Civil Defence, and Home Guards, which he—blink—refused. The independence of the so-called 'caged parrot' has been a joke for too long.

But then court verdicts—on Aadhaar, on Sabarimala, and on the CBI—are now flouted or sidestepped or misdirected (as in the case of the government's Rafale submission) so often that they are being made to look increasingly like valuable suggestions that the government can choose to consider or not.

While politicians and big businesses hug over gigantic defence contracts and data technology, the Centre for Monitoring Indian Economy (CMIE) reports 11 million jobs lost in 2018, with the most vulnerable populations taking the hardest hit. This newspaper noted that the Labour Bureau's report for 2016-17—showing a four-year high in unemployment even excluding the effects of demonetisation—is not being made public. In the last five years, more jobs have been lost than gained, and women are plummeting out of the workforce. Farmers and workers have marched in protest repeatedly over the last five years, and this week India saw the largest strike in its history, with a huge number of workers participating in a two-day bandh called by ten trade unions against the government's 'anti-labour' policies. These terrifyingly huge problems will be temporarily outshouted, but not solved, by Sangh-fostered communalism, or spats about which political party is more insulting to women (they all are, welcome to Patriarchy 101).

Governments are not necessarily terrified by the idea of people suffering, but they are terrified by the idea that suffering people might not vote for them, so the BJP's panicky response has been to pass the 124th Constitution Amendment Bill. It reserves 10 percent of government jobs for an 'economically weak' section of society defined so daftly that it would apply to large numbers of journalists in Delhi. More importantly, the Bill flies in the face of court judgments (what's new) stating that quotas cannot be economically based. Besides being a transparently election-driven ploy that some have called a "poverty alleviation scheme", the Bill creates messy new problems of scope, and properly buggers up the caste-disempowerment rationale of having reservations in the first place. How is it that almost all parties have backed this move?

The last, though not least, big move this January is the Citizenship (Amendment) Bill 2018, which seeks to relax the terms of the Assam Accord by which people from neighbouring countries can become Indian citizens. A large number of people left out by the National Register of Citizens, therefore, will now qualify for Indian citizenship—with the exception of Muslims. In one fell swoop, therefore, the BJP has managed to both anger the Northeast, and violate the constitutional principle of religious non-discrimination.

And we're not even halfway through January.

This whirlwind of activity only confirms that rushing around creating an impression of pompous busy-ness is not the same thing as solving problems. It's as if we'd hired the BJP to fix up our one and only house, but all it has done is rip out all the load-bearing walls and re-arranged the flower vases, while spending a lot of our budget on loud advertising about how it hasn't taken a single day off from the job.

On Friday *The Telegraph* asked, in a very large headline, 'Are we donkeys?' The answer should roll in by May.