

The fifties conundrum

Why Hindi cinema superstars flounder in their fifties



MEDIASCOPE

VANITA KOHLI-KHANEKAR

Shah Rukh Khan's *Zero*, released late in December 2018, hasn't done well. The story of a vertically challenged man in love with a scientist with cerebral palsy is about imperfect people and how they find completeness. It is Khan's third film after *Fan* and *Jab Harry Met Sejal* to

meet with a tepid response. The 53-year-old is India's biggest star. His body of work spans more than 100 films with over 60 as a leading man. Many of these — *Dilwale Dulhania Le Jaayenge*, *Kuch Kuch Hota Hai* — are among the biggest grossers in Indian cinema; so a couple of unprofitable films isn't a big deal.

The real question it throws up is why do Indian superstars flounder in their 50s? From Dilip Kumar (96) and the late Rajesh Khanna to Amitabh Bachchan (76) and Shah Rukh Khan every one of them has gone through this — they hit 50 and their films start going all over the place. Even their good films, say *Fan* for Khan, can't seem to find a market. This is true even for female superstars in Hindi cinema such as Madhuri Dixit and Sridevi. The only difference is it hits women in their late 30s, early forties. It is probably an area of study for a cinema scholar but here are my two bits.

Indian cinema was too dependent

on the hero-heroine story. There had to be a leading man and it had to be a saleable actor. Kumar or Bachchan were well past their 50s when writers continued to pair them with women who looked way younger on screen. Because there were no other saleable stars. It was critical to have a Bachchan to get the audience in the theatre — that is why he was called a one-man industry. It worked till he was young and the stories made sense. By the time cable television came and options increased, Bachchan had aged. He struggled with heroines like Meenakshi Sheshadri in forgettable films such as *Shahenshah* (1988) and *Toofan* (1989). In 2000, after he hosted *Kaun Banega Crorepati*, as himself, a 57-year-old, writers rediscovered Bachchan. *Baghban* (2003), *Piku* (2015), *Pink* (2016) — are among a dozen examples of the resurrection of Bachchan's career.

Kumar did some of his major flops

such as *Bairaag* (1976) and *Sagina* (1974) among others soon after he entered his 50s. He finally got roles which had him playing his age in several 80s hits such as *Mashaal*, *Mazdoor*, *Shakti* or *Karma*. These were strong author-backed roles but the 'hero' of the film was always a younger person.

The whole idea of doing stories around a bunch of characters all of who have a role to play in how the story moves, is now coming to fore. The economics of film-making has changed moving away from the one revenue stream (box office), one man, hero-dependent (Kumar or Bachchan) times. Also there is no longer any stigma attached to playing a father, brother, mother et al. One of the biggest hits of 2018 is *Badhaai Ho* that is about a middle-aged couple's accidental pregnancy.

You could argue that Tom Cruise (56) is edging towards 60 but nobody expects him to not be Ethan Hunt (in the *Mission Impossible* series) or Jack Reacher, roles that are full of action and stunts that Cruise insists on doing himself. That is where a comparison with superstars from South India is useful.

Sreedhar Pillai is a Chennai-based film critic and expert. He reckons that Hindi superstars are largely romantic ones, but the ones in the South are more action oriented — like Chiranjeevi in Telugu cinema and Rajanikanth in Tamil. "Action heroes survive (the scourge of the 50s)," thinks Pillai. That explains why Salman Khan and Akshay Kumar are not having as bad a time as Shah Rukh seen as a romantic hero. But it doesn't explain why Bachchan, who was seen as the original angry young man and action hero, struggled.

Much of this throws up a piquant question — does the market tend to punish superstars who experiment beyond their core proposition? So Shah Rukh is finding it difficult to get audiences to watch him as a crazed fan (*Fan*), a bootlegger (*Raees*) or a robot (*Ra.One*). His earlier attempts at breaking out of the romantic mould — *Swades*, *Paheli* (both 2004), *Chak De India* (2007) or *My Name is Khan* (2010) — too had mixed results.

Let us wait till his next big hit when the new theories will be written.

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CHINESE WHISPERS

'Message' in the message



A video of former Madhya Pradesh chief minister Shivraj Singh Chouhan (pictured) wishing people on *makar sankranti* went viral on social media. Twitter users immediately noticed a photograph of senior Bharatiya Janata Party (BJP) leader LK Advani propped up prominently behind Chouhan. Twitter was flooded with comments soon after. One user wrote, "Peechhe Advani ji ki tasveer dekh kar bahut khushi ho rahi hai. BJP ke ek bade neta ke dil men aaj bhi unke liye jagah hai" (good to see LK Advani's photo. At least one big BJP leader still respects him). The 'elevation' of LK Advani and Murli Manohar Joshi, along with Atal Bihari Vajpayee, who died last year, to the Margdarshak Mandal in 2014 was largely seen as a furtive way of keeping them out of party decision making.

Another yuvraj

The Bharatiya Janata Party unit in Uttar Pradesh is understandably unhappy with the visit of LK Advani's son Tejashwi to the state, his hobnobbing with the Samajwadi Party and Bahujan Samaj Party brass and his mockery of the government at the Centre. A day after his visit to the state, UP BJP chief Mahendra Nath Pandey mocked him, saying both the *yuvrajs* (Tejashwi and Akhilesh Yadav) had "inherited" power and had done little to improve the lot of their states. Describing Tejashwi's comments as *maansik dewaliyaapan* (mental bankruptcy), he said the people of the two states knew that these two political families were "responsible for the backwardness of UP and Bihar".

Celebration in SP-BSP camps

Makar sankranti kite designs are said to give an indication of which way the political wind is blowing. With the Bahujan Samaj Party and Samajwadi Party joining hands months ahead of the Lok Sabha election, the mood in the two camps was decidedly upbeat on Monday. One could see kites with pictures of Mayawati and Akhilesh Yadav flying high in and around Lucknow. Workers of the two parties also celebrated by cutting cakes and organising *havan* together — in what was seen as a rare show of unity. Revelries were kicked off on Monday itself, when BSP chief Mayawati and SP chief Akhilesh Yadav's wife, Dimple Yadav, celebrated their birthdays with party workers.

Polaroid. Walkman. Palm Pilot. iPhone?

As demand for Apple's signature product starts to wane, now is the time for CEO Tim Cook to find the next act

JOHN D STOLL

The iPhone is arguably the most valuable product in the world, representing the backbone of Apple Inc's half-trillion-dollar hardware business and undergirding its software-peddling App store. It remains the envy of consumer-product companies world-wide.

If history is any indication, though, America's favourite handheld device will someday take up residence with the digital camera, the calculator, the pager, Sony's Walkman and the Palm Pilot in a museum. Although it's hard to imagine the iPhone dying, change can sneak up rapidly on contraptions that are deeply entrenched in American culture.

Consider it was as recently as the mid-1990s when I spent an hour a day during my senior year in high school in a room full of electric typewriters learning to type. Today, I spend most of my working hours using that skill to bang away on a keyboard, but I have rarely touched an actual typewriter in 25 years.

"Over time, every franchise dies," said Nick Santhanam, McKinsey's Americas practice leader in Silicon Valley. "You can innovate on an amazing mousetrap, but if people eventually don't want a mousetrap, you're screwed."

Kodak, Polaroid and Sears are all examples from the recent past of companies that held too tightly to an old idea. Today's tech giants, ranging from Netflix (having already reinvented itself to be dependent on advertising-free streaming video) to Google parent Alphabet Inc (counting advertising as 86 per cent of revenue), should take note of those painful demises to avoid the same fate.

Apple's mousetrap is anything but

broken. Representing 60 per cent of Apple's revenue, the iPhone outsells 96 per cent of the companies on the Fortune 500. The phone carries the bulk of the \$545 billion valuation that Morgan Stanley assigns to Apple's wider hardware business.

Apple, for the better part of the 2000s, was the master of the next big thing: The iPod, the MacBook Air, the iPad, the iPhone. Apple wasn't always first, but its products were easier to use, thinner, cooler.

With the success of the iPhone since it arrived on the scene, the next big thing has been harder to find. Apple has had no breakthrough on TV, a modest success with its watch, a stumble in music and a lot of speculation concerning its intentions for autonomous cars or creating original programming. Now, as in a comic-book movie, we're all left to wonder whether Apple's greatest strength could be its biggest weakness?

Apple Chief Executive Tim Cook acknowledges the latest iPhone delivery trends indicate his company faces a potential inflection point. "Apple has always used periods of adversity to re-examine our approach," Cook said in a January 2 letter to investors.

Apple has a legacy of invention, Cook says. That's something the Cupertino, Calif, company is eventually going to need.

In a CNBC interview, he pointed to rapid growth in services and "wearables" — such as watches or ear buds — as reason for optimism. Someday, Apple will be known more for its contribution to health care than its sleek gadgets, Cook says.

Whatever shape it takes, Apple's evolution will be closely watched if only because reinvention is so hard to pull off. A decade ago, Nokia's dominance



in handheld devices evaporated after executives failed to create a compelling operating system to make their pricey smartphones more user-friendly. Finnish executives have told me on several occasions that Nokia knew it needed to rapidly change, but lacked the urgency and resources to do it.

The Model T almost entirely underpinned Ford Motor Co's rise a century ago, when the Detroit auto maker owned roughly half of the US car market. Without "The Universal Car," Henry Ford likely would have been forgotten.

A closer parallel to Apple is Microsoft Corp. Its best-known product, Windows, was so dominant that it drew extreme regulatory scrutiny while vaulting the Seattle software company

atop the personal-computer market before cloud computing existed.

Both Ford and Microsoft adapted and survived. Iconic vehicles like Ford's Mustang coupe or F-150 pickup prove companies can live a productive life after the initial hit product fades. Microsoft's transition to cloud computing with its Azure product, meanwhile, has vaulted the company back near the top of the race for the title of world's most valuable company.

Still, it's a slog.

"It's hard to be a two-trick pony," former Microsoft CEO Steve Ballmer told me Thursday. "It's amazing to do one. It's super amazing to do two. Doing three? I have a lot of respect for a company that can do three tricks. ... It's just

hard to come up with concepts that can make that happen."

There are success stories, to be sure.

He said Apple's line of Mac products is one trick and the so-called i-Series (iPhone or iPod) was a second. "If they had stopped with the iPod, where would they be?" They succeeded because "they pushed beyond" with a phone.

By all accounts, the iPhone's run — nearing the dozen-year mark — has been remarkable, especially when you consider the average company in the S&P 500 remains in the index for only 15 years. Cook's legacy, however, hinges on how well he pulls off Apple's next act.

Source: The Wall Street Journal

DECODED

The Reserve Bank of India (RBI) has permitted authorised card payment networks to offer card tokenisation services to consumers requesting it, in an effort to improve safety and security of card transactions. Nikhat Hetavkar explains the whole idea of tokenisation, how it is enabled, its impact on card transactions and related security guidelines.

Securing transactions

What are the basic tenets of tokenisation?

Tokenisation acts as an additional layer of security as it masks sensitive card data such as the 16-digit account number, expiry date and security code. It creates a set of numbers called 'token', which is used to substitute one's card information. This ensures one's card information is not disclosed to the website or merchant one is transacting with. Tokens can be device-specific, retailer-specific or even use case-specific. The RBI has specified that the 'token' needs to be unique for every combination of card, token requestor and device.

What kind of transactions is it available for?

Tokenisation is available for all type of card transactions including contactless transactions, in-app payments, QR code-based payments and token storage mechanisms. Tokenisation takes the security of a physical EMV (Europay, MasterCard, Visa) chip and applies it to non-card environments such as mobile, online and proximity payments. Payments experts said that tokenisation was a necessary step due to the rapidly growing mobile payments in the country and major card companies actively pushing contactless payments.

Will tokenisation make card

transactions more secure?

Tokenisation will help to prevent fraud by offering financial institutions, merchants, and third party payment providers, such as digital wallet operators, a secure way to enable mobile and online payments without sharing sensitive account information. Tokens don't carry the consumer's primary account number, reducing risk in storing tokens on mobile devices, online merchants, and in cloud-based mobile apps. Connected devices and risk-based authentication would make it easier to detect frauds. Tokenisation also makes it more difficult for hackers to gain access to cardholder data. Earlier, card numbers were stored in databases and exchanged freely over networks. With tokenisation, the sensitive data of all kinds including bank transactions, loan applications, and stock trading are substituted with tokens. However, the security level of the app and the customer's mobile itself also needs to be taken into consideration, say experts.

How would this help the payments industry?

Tokenisation could play a huge role in building customer comfort for the new forms of payments due to reduction in frauds, thus propelling digital payments. Tokenisation will generate greater daily use-cases for



contactless payments and reduce hesitation in storing card information with mobile wallet apps. Customers have been wary of such transactions but tokenisation can help in overcoming this hesitation

How can a customer request for the facility?

To enable tokenisation, a customer can use a third party (token requestor) app such as the UPI app, a bank app or a mobile wallet app. At present, the facility shall be offered through mobile phones and tablets only. The central bank is expected to examine the extension to other devices based later.

Tokenisation requires explicit consent on the part of the customer through additional factor of authentication. It cannot be undertaken by way of a forced or default or automatic selection of check box, radio button etc. Customers cannot be charged for availing the tokenisation service. Customers will have the option to register or deregister their card for a particular purpose and also the option to set and modify per transaction and daily transaction limit for such transactions. The

customer shall be free to use any card registered with the token requestor app for performing a transaction. Tokens tied to lost or stolen mobile devices, can be instantly reissued — without the need to change the consumer's primary account number or reissue the plastic card.

Who is responsible for the security of tokenised transactions?

The central bank has placed the ultimate responsibility for the card tokenisation services rendered on the authorised card networks. Adequate safeguards shall be put in place to ensure that the primary account number cannot be found out from the token and vice versa by anyone except the card network. Actual card data, token and other relevant details shall be stored in a secure mode. Token requestors shall not store PAN or any other card detail. Card networks shall also get the token requestor, card issuers or acquirers, their service providers and any other entity involved in the payment transaction chain, certified for processing tokenised card transactions.

LETTERS

Better alone

The recent-seat sharing arrangement between the Samajwadi Party (SP) and the Bahujan Samaj Party (BSP), keeping out the Congress for the upcoming Lok Sabha election has taken all by surprise. It is interesting to note the way the Congress party responded on being left out of the alliance in Uttar Pradesh. The move by SP and BSP is a bold one considering that it is challenging for a national party, including the Bharatiya Janata Party (BJP), to seek victory without the support of regional parties. The Telangana Rashtra Samithi's (TRS) victory in the recently concluded assembly elections has set an example of how a regional party can win an election without any major party's support or alliance.

Though the BJP has won the assembly elections before, a Lok Sabha election fought at a national level requires a different strategy. Hence, even a confident BJP should now work on a new game plan to win the national elections — more so if it is aiming for a "clean sweep" again.

On the other hand, it seems the Congress is losing its hold on the much-touted Mahagathbandhan strategy. The strongest of the allies have now kept the Congress out for the Lok Sabha elections. It is not clear how the strategy of the Mahagathbandhan will unfold. With the recent success of the TRS in



Telangana, many regional parties are taking steps to fight alone and counter the challenges posed by major national parties. Such moves by regional parties also signal that these smaller parties have started considering larger national parties as not reliable or trust-worthy partners.

Varun S D Bengaluru

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All letters must have a postal address and telephone number

HAMBONE



Exit the cockpit

Lenders must ensure Jet promoters lose operational control

India's largest private full-service airline, Jet Airways, is struggling under the burden of its debt. It owes a consortium of banks and other lenders ₹8,000 crore, of which over ₹6,000 crore has to be repaid in the next two years. This problem has become a crisis since the airline defaulted on some repayments at the turn of this year, leading to a further downgrade of its debt. Nor is it making money — it has reported three consecutive quarters of losses of over ₹1,000 crore, which makes its possibility of repayment without a funds infusion or debt restructuring extremely unlikely. It is not just financial creditors who are having to wait for their money — so are regular creditors, including the Airports Authority of India and oil-marketing companies. Employees, too, are not all being paid their salaries in a full and timely fashion. For an airline, such stress is not just a matter of financial survival — it also creates safety issues. Regulators in Singapore, for example, have reportedly had to crack down on the airline. Cutting corners to save costs can have major implications for airlines, which need to ensure that safety inspections are up to date and thorough.

Various reports about Jet's future have caused the airline's share price to fluctuate widely. The long-expressed hope that minority shareholder Etihad Airlines, which is based in Abu Dhabi, might up its stake in Jet to the legal maximum of 49 per cent and thus solve the immediate capital problem, resulted in a recent upward spike in Jet's stock. Etihad itself is not in excellent condition, and is having to trim back other expansion plans — it reportedly will no longer seek to compete on international routes with Emirates, based out of Dubai, or with Qatar Airways, both of which are larger and better funded. What is important, however, is that no further forbearance for the existing Jet Airways management and ownership be considered on the part of its lenders. The lessons from the Kingfisher Airlines debacle should be learned by the banks in particular. It is in every way preferable that Jet continues to operate. But this should come at a price.

In particular, the long-term promoters of Jet should no longer have a major role in the running of the airline post any restructuring. This is supposedly a demand from Etihad that the promoters have been resisting — but it should also be non-negotiable for the consortium of lenders. There is no doubt that the promoters, who launched Jet Airways in 1993 when air travel in India was at a nascent stage, kickstarted the sector's growth and put the country on the aviation map. But 25 years later, their position have become untenable. Banks themselves should be careful of taking up too much equity in return for their debt — the last thing bankers are capable of doing is running an airline. They should instead work with the airlines regulator and the government to ensure that if a white knight, including Etihad, is willing to bail out the airline then the regulatory and financial paperwork is sorted out in short order. Jet continues to have valuable properties — its frequent flyer network among them — and thus the capital loss associated with a shut-down should be avoided. But, certainly, there should no longer be any operational control with the existing promoters, which seems to be a necessary condition for bringing in fresh capital.

Late cuts from BCCI

The cricket body is making a spectacle of itself

The Board of Control for Cricket in India (BCCI) is the richest administrative body in the global cricketing firmament and it hosts one of the world's most popular cricketing events, the Indian Premier League. Yet the manner in which it has handled the controversy involving Hardik Pandya and K L Rahul suggests that the BCCI's administrators have an inordinate amount of time in hand to pursue pointless agendas. Following cringe-worthy sexist comments on the talk show *Koffee with Karan* last week, the board suspended Pandya and Rahul from any form of cricket. The two cricketers, who have been brought back midway through the Indian cricket team's tour of Australia, have since tendered an unconditional apology.

Having administered a serious rap on the knuckles, which is what the offence merited, the board should have sent the two cricketers for gender sensitivity counselling and reinstated them after a gap. Instead, the board has opted for an enquiry, the conduct of which appears to have re-ignited a months-long feud between the chairman of the committee of administrators (CoA), Vinod Rai, who is also former Comptroller and Auditor General of India, and CoA member Diana Eduljee, former Indian women's Test cricketer. First, the necessity of an enquiry is unclear. The evidence of the two young men's transgressions is captured on tape for all to see. At best, the administrators can ask the broadcasters for unedited footage, though to what end is doubtful since neither cricketer has claimed to have been quoted out of context or coached to make those comments. Second, an enquiry is out of proportion with the offence.

The misdemeanours, though reprehensible, did not amount to physical harassment or assault. But the salutary disciplining of two young men, as a lesson for all other young cricketers, seems to have been subsumed in a bizarre argument between Mr Rai and Ms Eduljee. Mr Rai has directed that the enquiry be conducted quickly and completed by the second One-day International, so as not to debilitate the strength of the Indian cricket team ahead of the World Cup, which is four months away, and cut short the careers of two promising sportsmen for serious youthful errors of judgement. Ms Eduljee prefers the BCCI's legal team's advice of appointing an ad-hoc ombudsman to conduct the enquiry and has objected to BCCI Chief Executive Officer Rahul Johri conducting the preliminary enquiry since he had been accused of sexual harassment just last year. She says she fears a "cover up," but did not specify what would exactly be covered up.

It surely behoves two senior administrators to have settled the issue without so public an exchange of icy emails. It has snowballed into a controversy subsuming the main issue at hand. It is difficult not to agree with Justice Lodha's statement just last month, that Mr Rai and Ms Eduljee were making spectacles of themselves (he was referring to their public airing of differences over the choice of coach for the women's cricket team), especially when there is work to be done in following the Supreme Court's prescription for reforming the cricketing administration. Politics is but a human failing in any institution, but in the BCCI it appears to have descended into the theatre of the absurd. At any rate, it is causing the public almost as much entertainment off the field as the Indian cricket team is offering on it.

Population, GDP and poverty - I

An urgent revisit to population policy is indispensable

The link between population, GDP and poverty could occur in two directions. The first, which is widely accepted by social scientists is that, as GDP per capita improves and the poverty rate falls, the population growth diminishes as well. The reverse has been more arguable: As the rate of population growth is controlled, per capita GDP growth should improve; but does the poverty rate diminish *pari passu* with it? Malthus had predicted so, that high population growth would lead to pestilence, poverty and famine. The reality is that population growth, GDP growth and poverty are associated in both directions, reinforcing one another.

The issue has become crucial for India since, for nearly half a century, there has essentially been no population policy after the debacle of forced population control policies of the 1970s that had comprised bold advertising of Nirodh, the condom, open slogans such as *doya teen bas*, which were in the right direction but vitiated by obligatory vasectomies. In its aftermath, political parties saw better than to touch population and, instead, converted population into vote banks. The outcome can be perceived through cross-country figures. What we will decipher is the direction of the association between population growth and GDP per capita, and link it to the poverty rate on a later occasion.

After a recent visit to select countries in Southeast Asia after almost two decades, and viewing the phenomenal growth of the economies, their standards of living and quality of life, and seeing hundreds — nay thousands — of Chinese visitors flocking there in packs reflecting their enablement to do so, it occurred to me to resuscitate the nature of the link between population, national income and poverty. Interesting observations emerge from a comparison of Brazil, China and India.

To begin, Figure 1 shows the total population from 1950 projected to 2100 (using polynomials to obtain the best fit). It can be seen that, in the 2020s, India will overtake China's population (at a time when the latter's population will crest) and remain so to the end of the century. Figure 2 shows what was behind this phenomenon. In the 1960s, from a higher rate of population growth than India's, China began to reduce it stringently. From the beginning of

the 1970s, China's population growth rate fell below India's and remained so thereafter. Thus, even though India was on a steadily declining trend throughout, China's population growth rate was crashed to below that of India and that difference increased. Only in the last few years, China's population growth rate has picked up again as a deliberate policy, nevertheless remaining below India's.

As an illustration of the association of population growth with income growth, Figure 3 depicts the cross-country growth rates of per-capita GDP for 1968-69 to 2016-17. China's per capita GDP growth remained significantly above that of India though, in the last couple of years, India has crossed China. This reflects China's recent relaxation of its population policy after half-a-century of control while India abandoned it to a bellicose absence of policy. In sum, it emerges that population growth and per-capita GDP growth are closely associated. For example, as India's GDP growth steadily increased, the rate crossed over the slowly declining population growth rate from the beginning of the 2000s (not graphed).

Fertility — the average number of live births per woman — differences explain the different population trends. Figure 4 reveals that, to 2020, India's rate of decrease in fertility parallels that of Brazil but India's base fertility levels have been much higher, implying higher population growth in India (see Figure 2). China kept down its fertility rate, which remained much lower than both Brazil and India. Interestingly, moving forward, all three countries will have much lower fertility rates compared to the world average (to no small extent the impact of Nigeria). Nevertheless, India's base population being high, its population will crest at some 1.6 billion in the 2060s. Herein lies India's fundamental challenge for, certainly, this could not represent a demographic dividend with good accompanying income distribution and control of poverty.

Note, however, that both India and China's per capita GDP growth rates have been higher than the global trend while Brazil's has oscillated considerably around the global trend reflecting its historical economic instability

The second part of this column will appear next month



PARTHASARATHI SHOME

India's base population being high, its population will crest at some 1.6 billion in the 2060s

Interim Budget options for Mr Jaitley

Finance Minister Arun Jaitley has stated that he would go by past precedents while finalising the Interim Budget for 2019-20 to be presented next month. "In an election year, there are certain things you can present and certain things you cannot," he said in an interview.

What are those precedents that Mr Jaitley can go by? Can he announce tax proposals in his final Budget under this government? An assessment of what the last three Interim Budgets had proposed by way of tax proposals, therefore, would provide an indication of what Mr Jaitley might have meant. The last three Interim Budgets were presented by three different finance ministers — Jaswant Singh in 2004 under the Atal Bihari Vajpayee government, Pranab Mukherjee in 2009 and Palaniappan Chidambaram in 2014, the latter two under the Manmohan Singh government. The circumstances under which these Budgets were presented were also different.

In 2004, the Indian economy was just beginning to take off as the government had cut tariffs, opened the economy to increased competition and paved the way for more tax reforms. Mr Mukherjee's Interim Budget in 2009 was presented in the backdrop of a financial crisis triggered by the global financial meltdown of 2008. And Mr Chidambaram presented his Interim Budget when the Indian economy was not doing too well, with oil prices beginning to rise and both the fiscal deficit and the current account deficit coming under strain.

Of the three past Interim Budgets, only one of them, presented by Mr Mukherjee, completely refrained from announcing new taxation proposals. Instead, what Mr Mukherjee's Interim Budget for 2009-10 did startlingly well was to reveal how the government's fiscal consolidation plan had gone awry.

The Budget for 2008-09 presented in February 2008 had projected a fiscal deficit of 2.5 per cent of gross domestic product or GDP and a revenue deficit

of 1 per cent. That Budget was presented by Mr Chidambaram. But by the end of November 2008, after the Mumbai terror attack, Mr Chidambaram was shifted to the home ministry and Mr Mukherjee was made the finance minister.

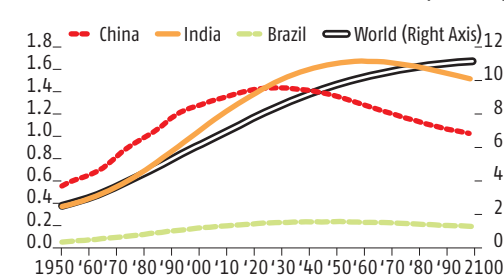
Mr Mukherjee told a shocked Lok Sabha in 2009 that the government's fiscal deficit had actually widened to 6 per cent of GDP for 2008-09 and the revenue deficit, too, had increased to 4.4 per cent. These numbers remained unchanged even when the actuals for 2008-09 were announced a year later. Few other Interim Budgets in recent times have brought out so starkly the government's failure in sticking to its promise on fiscal consolidation just before going in for elections.

In contrast, the other two Interim Budgets actually revealed an improvement in the government's fiscal consolidation plan. Jaswant Singh announced that the fiscal deficit for 2003-04 had been brought down to 4.8 per cent of GDP, compared to the Budget Estimate of 5.6 per cent. Similarly, Mr Chidambaram announced that the fiscal deficit for 2013-14 had been brought down to 4.6 per cent of GDP, compared to 4.8 per cent projected in the Budget Estimate for 2013-14. Indeed, when the actual numbers for these two Budgets were revealed a year later, the fiscal correction recorded was even greater.

The Interim Budgets of Mr Singh and Mr Chidambaram differed from that of Mr Mukherjee in another respect. Both of them presented taxation proposals in their respective Budgets, but in differing ways.

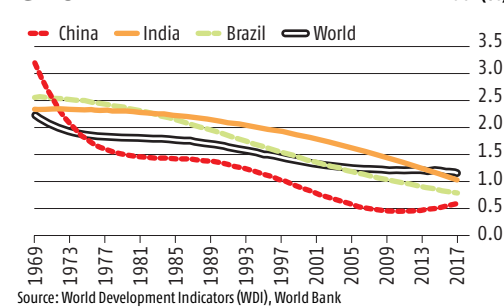
Mr Singh did not propose any amendment to the Income-tax Act, but outlined what the government's action plan would be for the next year. Thus, he announced the government's commitment to examine the following concessions for taxpayers: The fiscal benefits available to new projects in the power sector should be extended up to 2012, the exemption from long-term capital gains tax for listed equities acquired

Figure 1: TOTAL POPULATION, 1950-2100 (in billion)



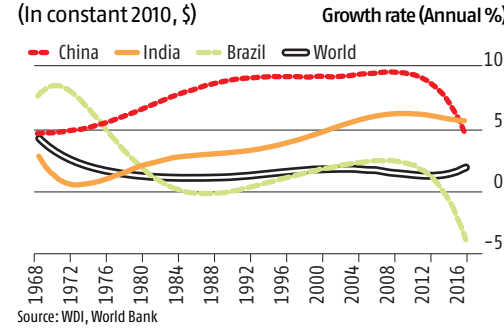
Note: Figures show estimates for period 1950 - 2015 and for period, 2015-2100 probabilistic projections are based on the probabilistic projections of medium variant fertility Source: World Population Prospects: The 2017 Revision, United Nations Population Division

Figure 2: COUNTRY: POPULATION GROWTH RATE Annual (%)



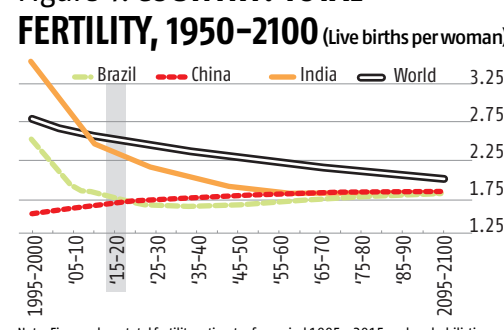
Source: World Development Indicators (WDI), World Bank

Figure 3: GDP PER CAPITA (In constant 2010, \$) Growth rate (Annual %)



Source: WDI, World Bank

Figure 4: COUNTRY: TOTAL FERTILITY, 1950-2100 (Live births per woman)



Note: Figures show total fertility estimates for period 1955 - 2015 and probabilistic projections of total fertility (medium variant) for 2015 - 2100 Source: World Population Prospects: The 2017 Revision, United Nations Population Division

on or after March 1, 2003, should be extended for a further period of three years and the standard deduction allowed to individuals for calculating their income-tax burden should be revised.

As for indirect taxes, Mr Singh announced the government's intention to examine fresh relaxations and concessions for several sectors, including capital goods, power equipment and fuel oils used for power generation. He also raised with immediate effect the duty-free baggage allowance for Indians returning from abroad, cut the customs duty on baggage not covered under the duty-free baggage allowance and introduced a host of user-friendly tax administration norms for imports and service tax compliance.

Mr Chidambaram went a step further in his Interim Budget for 2014-15. He said the "current economic situation demands some interventions that cannot wait for the regular Budget", and reduced excise duty on a large number of goods in a bid to stimulate growth in capital goods and consumer non-durables. In addition, he cut the excise duty on cars, two-wheelers, sports utility vehicles and commercial vehicles, restructured the excise duties on a wide range of products to encourage their domestic production and exempted a few sectors from service tax. Many of these duty changes were effective only till the end of June 2014.

For Mr Jaitley's Interim Budget, therefore, the precedents from the last three Interim Budgets offer him a limited range of choices. This is because Mr Jaitley's options on indirect taxes are restricted to only the customs duty as the Goods and Services Tax Council has already announced many changes in the rates for many items. So, he does not really enjoy the options that Mr Chidambaram exercised in 2014. But if he were to follow what Jaswant Singh did in 2004, the Interim Budget for next year could well outline the government's intentions on overall tax changes, without actually effecting them. And if Mr Jaitley decides to follow Mr Mukherjee, then there is no chance of any change in tax rates.

Will Mr Jaitley follow only one of these precedents or pick and choose from the different options his predecessors had exercised? You will know the answer on February 1.

Travels and travails on the LoC



BOOK REVIEW

AJAI SHUKLA

Happymon Jacob's new book, *The Line of Control: Travelling With the Indian and Pakistani Armies*, is less about the line of control (LoC) than about travelling with the Indian and Pakistani armies. Presumably, the author meant this to be no more than a quick, racy travelogue for the lay reader; rather than a serious work on the peculiar environment and dynamics that prevail along the 776 kilometre-long LoC — reputedly the world's most heavily militarised border between that part of Jammu & Kashmir (J&K) that India controls and the part that Pakistan occupied in

the LoC and its periodic flare-ups, the author has simultaneously produced another academic study, titled: *Line on Fire: Ceasefire Violations and India-Pakistan Escalation Dynamics*.

In this very readable travelogue, which I consumed at a sitting, the author describes with almost childlike glee how he leveraged his contacts in the Pakistani Army and diplomatic establishment — mainly retired generals and ambassadors, who he befriended over years of India-Pakistan Track II meetings — to permit a visit to the Pakistani side of the LoC. In winning their trust, Jacob has undoubtedly pulled off a coup, since nobody before or after him has persuaded both armies to allow access. For this, credit goes to Mr Jacob's unbiased and well-regarded work on India-Pakistan relations. However, Pakistan Army decision-makers must have also cynically calculated that they would be able to sell their version more easily to an academic than to, say, a journalist or someone with practical exper-

ience of the LoC.

Even so, the author, to his credit, has displayed commendable savvy in assessing military situations and feeling his way to valid conclusions. Travelling to Islamabad, Murree and Muzaffarabad, and from there to forward locations along the LoC, Jacob brings out the Pakistan Army's similarity to ours in outlook and functioning. Like the Indian Army units on the LoC, the Pakistanis prefer to focus visitor's attention on the travails of civilians living in close proximity to the border. On both sides, local villagers are experienced at underlining their difficult lives, with death or maiming a lurking spectre. Both sides insist that the other side invariably initiates ceasefire violations, leaving no choice but "appropriate retaliation". The difference, which Jacob says the Pakistan Army never acknowledges, is that one of their key roles is ensuring militant infiltration while the Indian side mans an increasingly sophisticated surveillance system and obstacle system

(the border fence) to prevent infiltration. Another key difference is the way the two sides approach the United Nations Military Observer Group in India and Pakistan (UNMOGIP). India, which rejects a UN role in Kashmir, largely ignores the UNMOGIP; Pakistan sees it as an instrument for internationalising the Kashmir dispute.

Mr Jacob highlights the incongruity of his position in being conducted by the Pakistan Army to positions exposed to Indian cross-LoC firing. In his words: "What if something happens to me here? What if I get shot or hit by a mortar splinter? Would they take me to the Combined Military Hospital in Rawalakot? Does my Bajaj Allianz travel insurance cover bullet injuries in Pakistan? Perhaps not. How will I travel back to Delhi with a bullet/splinter injury? What will I tell those who ask who shot me? That I was shot by the Indian Army? What will the Indian authorities tell my family back in Delhi as to what happened to me? 'He was shot by us while on the Pakistani side'? How will my toddler explain it when he grows up — 'Baba was shot by Indian soldiers while in Pakistan'?"

Nehru University (JNU), is also worried about the optics of a professor from the Left-leaning JNU (dubbed by the Right wing as "anti-national" for producing students like Kanhaiya Kumar, who dismisses their version of nationalism) visiting the Pakistani side of the LoC as a guest of the Pakistani Army. His apprehensions were stoked when, a week before he left for Pakistan, the Bharatiya Janata Party (BJP), including Prime Minister Narendra Modi, portrayed a dinner party in New Delhi, to which the Pakistani high commissioner was invited, as a conspiracy against the BJP and Mr Modi himself.

Mr Jacob spends perhaps too much space recounting capital city gossip about retired Pakistani envoys and senior military officers. This is interesting for journalists and diplomats who know those individuals, but is probably of less interest to the lay reader. He is on surer ground in describing his time with the Pakistani Army, especially his visits to key generals — such as that of the divisional commander in Muzaffarabad, and the Pakistani Army's chief of general staff, who Mr Jacob describes as second in influence to the army

chief. Both of them come off as highly competent, but somewhat unimaginative, functionaries, who would execute their orders to the letter. It is a pity that Mr Jacob did not get to meet the Pakistani army chief, General Qamar Javed Bajwa. Several independent accounts have portrayed Mr Bajwa as a visionary and it would have been interesting to hear Mr Jacob's take on him.

This book is, ultimately, a useful and interesting read for students of India-Pakistan relations. Hopefully, its sensitive handling of New Delhi's and Islamabad's concerns might help them realise that providing access to foreign scholars and writers need not be taboo and that creating a balanced awareness is an essential first step in moving towards resolving what has long seemed an irreconcilable dispute.

THE LINE OF CONTROL Travelling With the Indian and Pakistani Armies
Happymon Jacob
Penguin Random House
201 pages; ₹499