

## Even more extreme



TICKER

MIHIR SHARMA

It seems an old and insightful joke about the Bharatiya Janata Party (BJP) is still in operation. The joke is sometimes expressed as a cartoon, sometimes in words: But essentially the punchline is that every extremist in the BJP becomes a moderate in time. Not by changing their views, but simply because they are all inevitably displaced from their place on the far right when

someone even more extreme pops up to attract attention. Thus Atal Bihari Vajpayee gave way to Lal Krishna Advani; Advani to Narendra Modi. Note the progression: Vajpayee spoke words that could lead to riots, but he was always far away from the actual events that would spark them, such as the Babri Masjid demolition. Advani was present at the events, but reacted to them with public shame rather than pride. Modi instead responded to such events with defiance and pride, as in the election campaign after 2002. Step by step, ever more extreme.

Many supposed the next step in this sequence would be Amit Shah. Modi's rhetoric may have been dangerous back in the 2000s, but at least he was never seriously accused of homicide. Shah was famously so accused (and then acquitted six months after Modi took power). But the next step seems actually Uttar Pradesh Chief Minister Adityanath. The prime minister has spoken of needing a "56-inch chest" to defend India; but it is the UP CM who brings with him a palpable aura of danger — not surprising given that he emerged from the politics of eastern UP, and that he long had his own stormtroopers in the Hindu Yuva Vahini.

The BJP, however, is not content. They have, in one fell swoop, rendered Adityanath also a moderate, by handing the historically safe seat of Bhopal to Pragya Singh Thakur, accused of terrorism but currently out on bail due to her poor health. The formal allegations against Adityanath are essentially those of intimidation and retail violence; those against Thakur are worse by an order of magnitude. The UP CM has carefully sought to talk more about development even while his government shuts down slaughterhouses and promotes bottled cow products; the likely MP for Bhopal openly claims, on national television, that *panchagavya* (made of various cow-related products) cured her cancer. The amazing thing about religious extremism is that there is always somewhere more extreme to go. I wonder who will eventually be found that will make Thakur look like a restrained and sensible moderate.

So why? Why does the BJP constantly shuffle rightwards in this manner? There are at least two different answers, neither very reassuring.

First, perhaps the "real" BJP is always to the right of what its leadership openly states. This is what Govindacharya once implied when he said Vajpayee was the *mukhota* or face of a party that actually looked to Advani for leadership. Thus the purpose of a particular leader is only to shift what political scientists call the Overton window — the set of publicly acceptable ideas — further right towards the party's core ideology. This is not a pleasant thought, because it suggests that a certain duplicity and equivocation is built into how the BJP operates. But, on the other hand, it assumes the public at any point in time is in fact more moderate than these theoretical BJP "core beliefs", and would get turned off if they were expressed in plain terms.

The second possibility is that the BJP is merely reacting to a rightward shift in the Indian public itself, or at least of the median voter in its core electoral base, namely India's northern and western states. This is the point of view that supposes that Modi himself was not overjoyed to install Adityanath as UP CM, but his hand was forced by the latter's popularity among crucial elements of the population and also among Hindutva's foot soldiers. Those familiar with UP in particular will tell you that elements of the Rashtriya Swayamsevak Sangh and even of the Hindu Mahasabha feel that they are losing control of many of their foot-soldiers, who prefer a more direct and confrontational style in local politics. This suggests the worrying possibility not that Prime Minister Modi is playing at being a moderate, but that, at this point in time, he genuinely occupies the political centre in North and West India.

For those from more liberal traditions, therefore, it is easy to collapse all strains of the BJP and of Hindutva into one — and, of course, they are all likely to damage national cohesion and constitutional values. But given that Hindutva nationalism is now the dominant strain of politics in a large swathe of the country, this is poor political analysis. The BJP's leadership is in constant danger of being outflanked on its own right. Democratic politics abhors a vacuum. If the BJP becomes the new Congress, a single party dominating the politics of a large part of the country, then an opposition within will naturally emerge — from the right, not the left. It is that which should worry Modi, Shah and the RSS.

Email: m.s.sharma@gmail.com; Twitter: @mihirssharma

## Business resembles migration

Pioneers don't want others to follow in their wake



WHERE MONEY TALKS

SUNANDA K DATTA RAY

When Jet Airways was grounded, I could not but wonder whether peering into the future 14 years ago, Lee Kuan Yew had some reason for qualifying his praise for a pioneering enterprise. Lee was ecstatic after flying Jet from Bangalore to New Delhi in 2005. The 40-year monopoly of India's skies had been broken. Jet's founder, Naresh Goyal, had been SIA's general sales agent in India. Since business is business, he harboured no grudge because his beloved Singapore Airlines had failed in its \$846-million bid for a

joint venture domestic airline with Tata.

And yet ... and yet ... he was cautious about the long term. Lee and Singapore's president, Sellappan Ramanathan, had grumbled for years about Air India and Indian Airlines. After the reforms PV Narasimha Rao and Manmohan Singh introduced in 1991, they still feared India's cumbersome and corrupt state-owned carrier would drag the country back. Lee Hsieng Loong, Singapore's current prime minister, complained that air services had remained static to protect Air India, subjecting passengers to acute discomfort and "ungodly" hours. Other Singaporeans openly deplored senior Indian officials and politicians abusing the national carrier. Singapore wouldn't even buy equity in Air India because the airline was doomed.

Jet showed that an era of smart and efficient civil aviation was dawning at last. "When I went up the aircraft," Lee told me afterwards "all the girls were smartly dressed like Singapore Airlines girls and the seat in front of me had that Sunday's *Straits Times*". I was surprised he didn't see through the gimmick. Jaswant Singh teased him about it too. But Lee was convinced he received normal service. "They can compete with SIA," he said. "And why not? They have retired SIA staff working for them, so picking up all the tips on how to do it." An airline that

was clever enough to seek SIA's advice was on the right track. The wheel had turned full circle. Time was when SIA looked up to JRD Tata's Air India. Lee had protested in colonial Singapore's Legislative Assembly as long ago as 1957 that BOAC and Qantas were allowed 51 per cent equity in the new Singapore-registered Malayan Airline because they were white-owned while Air-India — Asia's if not the world's best airline — was excluded.

My own epiphany was a decade before Lee's. In 1995 my son and I flew SIA from Singapore where we lived then to Hyderabad, and took the Jet flight to Calcutta, as it still was. I was astonished at the sleek aircraft, the transformation of shabby old Dum Dum airport, and most of all, by the staff's helpfulness. Their courtesy didn't end with showing us to our seats and relieving me of my hand luggage. A bright young lady asked for our baggage tickets on arrival and collected our cases from the carousel. Calcutta has changed, I told my son. "Wait till you go outside!" the girl laughed. She was right. Calcutta was still crowded, scruffy, raucous, rough and dirty.

Three prime ministers were believed to have supported the SIA-Tata project. But C.M. Ibrahim, the civil aviation minister, didn't. Neither did his aviation secretary, Yogesh

Chandra. Singaporeans didn't suspect corruption until 14 years later Ratan Tata accused an unnamed minister of demanding a Rs 15-crore bribe to clear the proposal. Singapore had also expected a helping hand from Goyal, forgetting its own experience. Business resembles migration: Pioneers don't want others to follow in their wake.

I wasn't surprised by Jet's collapse. Flying Jet business class to Singapore some years ago I welcomed the long wait between flights in Chennai to finish some writing. It was not to be. Chennai airport didn't have a business class lounge; in any case, Jet's casual and delayed check-in left me little time for writing. The young Jet steward was helpful but bitter. He didn't have a name tag because Jet was economising. His salary was overdue. He feared retrenchment.

Perhaps despite the dazzling first impression, Lee foresaw it all. He hummed and hawed when I asked whether Jet's success reflected the future. "I don't know," he murmured, "it is very difficult to predict how it will unfold with free enterprise not really given full rein yet." It would be an altogether different India "if you allowed enterprise to take over". If he were in charge, he would have wound up the red tape and "given Indian entrepreneurs full rein". Had he still been around he might have said Jet is a dream gone sour. I hope Narendra Modi's India, where the Rafale controversy suggests politicians and businessmen are as firmly linked by patronage as horse and carriage in the old song, won't go the same way.

LUNCH WITH BS ► KRISHNAMURTHY SUBRAMANIAN | CHIEF ECONOMIC ADVISOR

## Making others look better

Subramanian tells Shyamal Majumdar and Arup Roychoudhury he was the first person in his family to go to college and that he wants to be an independent voice without looking for limelight

In the *Mahabharata*, Arjuna and Dronacharya were in opposite camps. They fulfilled what they felt was their *dharma*. But that does not mean any love or respect was lost between the two. That's Krishnamurthy Subramanian, India's youngest chief economic advisor, responding to our query on his views that have at times differed sharply with Raghuram Rajan, his teacher at the Chicago Booth School of Business. Subramanian says he has differed with his mentor on "some policies", but that doesn't take away anything from the relationship.

Though he refuses to go into specifics, it is well known that while Rajan, the former Reserve Bank of India governor, has been publicly critical of demonetisation, Subramanian has been quite vocal in its support — even before he got the CEA's job. The reference to the *Mahabharata* shows Subramanian, 47, has taken enough inspiration from his favourite game cricket to handle everything with a straight bat.

We are at Café Lota in Delhi's Pragati Maidan and the waiter serves *palak patta chat* and *aam panna*, which are excellent. Subramanian goes back to cricket to answer our next query about his experience as CEA so far. Apart from the predictable "opportunity to contribute to the nation is a unique privilege" etc, Subramanian says, Harsha Bhogle is one of the few commentators who hasn't played test cricket, but when someone asked him what his role was, the reply was: "From the commentary box, my role is to make Sunil Gavaskar look better".

The CEA's role in the North Block is similar, he says. "Policy action is taken by the line ministry, and my job is to make their actions look better with my inputs. As CEA, I can be a public face without being at the forefront of every issue." He isn't finished yet, and adds "remaining an independent voice without looking for limelight" is what he prefers.

Café Lota has an earthy, spacious

feel. Subramanian didn't have any particular preference of a venue and his only condition was that he didn't want continental food. It being a weekday, and in fact the day on which the Supreme Court struck down the Reserve Bank of India's February 12 circular, it was understandable why Subramanian was 20 minutes late for our appointment. He still apologised profusely, as we took our seats at a table next to a massive air cooler.

The conversation slips into an easy mix of English and Bangla. Subramanian is fluent in several languages, and picked up Bangla from his days at the Indian Institute of Management, Calcutta. "You can pick up any language provided you are willing to make a fool of yourself," Subramanian says, explaining how his Bengali friends encouraged him to learn but also laughed at him for his then-bad pronunciation.

The ambience perhaps reminds him of his growing up years in Bilaspur and Durg. He was the first person in his family to go to college (his brother followed suit) as his father, a railway clerk who later became a gazetted officer, had a large family to take care of and could not study beyond high school. "My father borrowed from money lenders for our higher education and also had to take care of his two widowed sisters. So, much later, when I told him about my appointment to the Bandhan Bank board and explained how microfinance worked, my dad quipped that life had indeed come a full circle," a visibly emotional Subramanian says. He is sad that his father wasn't around when he got the job of the CEA.

Subramanian, whose family is still in Hyderabad as his daughter is finishing her class 12 and preparing for entrance exams, says that his son, in class 9, did not quite understand the import of his new job and wasn't initially keen on him moving to Delhi. He and his classmates understood the importance only after his pictures were flashed across television screens and front pages of news-

papers. "One of his friends came over the next day and asked me to make sure the income tax rates are brought down," Subramanian says. His boyish face is all smiles.

A strict vegetarian, he orders paneer *pasanda* with *pudina parantha* for the main course. We opt for prawn *mappas*, a Kerala dish with plain rice, and chicken *mokul*, a creamy, cashew-based Rajasthani dish which pairs surprisingly well with *appam*.

The food is delicious, and the conversation shifts to the issue of cash transfers and how Indian polity across the spectrum is embracing the idea. Subramanian says universal basic income and minimum income guarantee models have their benefits as well as shortcomings. "The reality is that if you provide UBI as a top-up instead of substituting, the fiscal costs will be prohibitive. If you are providing a targeted minimum income guarantee, then it depends on the quality of data. You can target well only if you have high quality data." He is of the view that a minimum income guarantee scheme may incentivise people to under-report their income. "Hence you have to frame the policy only after a thorough cost-benefit analysis."

For dessert, we order apple *jalebi* with coconut *rabri* and *bhapa doi* cheesecake. That proves to be quite a mouthful, but Subramanian is clearly enjoying it and is in a mood to talk. Is he unhappy that the government hasn't implemented a number of PJ Nayak committee recommendations (he was a member of the committee)? And that a number of intermediate steps were not taken by the government in the area of banking sector reforms?

While writing the report, he says, the committee members recognised that even if the recommendations were implemented in spirit, it would be okay. A key thing the Nayak panel recommended was that commercial



ILLUSTRATION BY BINAY SINHA

decisions of banks should not be interfered with. That has been achieved as phone banking has stopped. "Telling a bank what commercial decisions it should take is like instructing Virat Kohli how to bat," pat comes another cricketing reference.

He says he has already started working on the Economic Survey, which is due around the time the new government presents its

Budget. Every CEA picks up certain themes close to his heart and writes extensively about them. What are Subramanian's pet themes? "Banking sector reform is obviously something I care about. Also, as an engineer turned economist I think about technological solutions to economic problems. One area is using analytics to sharpen decision making." Subramanian gives the example of the agricultural sector, where he believes the problem is not on the production side but on the marketing side. He thinks technology can play a big role in price discovery.

Another theme Subramanian wants to work on is bringing behavioural economics into policy making. "There is already a successful example there, that of Swachh Bharat, which has led to changing mindsets. My kids never litter, but we used to litter since it was acceptable. Another example is the 'Give It Up' campaign which led to change in behaviour of the average person." All this would surely be music to the ears of the government he works for.

As we wind up, we ask whether he was unsure about taking up the role of CEA so close to the general elections. What if the government changes? He admits he did think about it, but took it up as a responsibility that came his way. "When an opportunity like this comes, to think of what can happen in the future would be admitting a fear of failure," he says, and proceeds to give an example.

When he went to Chicago Booth for his PhD course, he was asked to make a presentation in front of his peer group and teachers. He can never forget the first question from the audience just when he was about to start speaking: "Mr Subramanian, can you tell me why I should spend the next one hour listening to you?" The question made him "nervous", but his response must have been convincing enough for the gentleman to stay back for the entire presentation. As we make our way to the car park, Subramanian says he has not let himself bother about the fear of failure — ever.

## Shaken and stirred



PEOPLE LIKE THEM

GEETANJALI KRISHNA

Four years ago, on April 25, a 7.6 magnitude earthquake destroyed over half a million homes, killed nearly 9,000 people and injured 22,000 in Nepal. Recent conversations with 35-year-old Samjhana B K and 66-year-old Binda Adhikari from two wards in Nepal's Gorkha district that is close to the epicentre of the 2015 earthquake, made me realise that four years on, people are still shaking from its impact.

On April 25, 2015, around noon, Samjhana and her three children were at home when the ground began to shake. "We ran out when our house started collapsing," she said. "My children kept asking me if we were all going to die." The family

went to the field where the entire village had gathered. Aftershock upon aftershock rocked their world and they camped there for days, too scared to go back home. Samjhana's three school-going children didn't attend school for months after. "The school building collapsed as well, and when it reopened almost three months later, many children were too terrified to go," she says. "We were too terrified to send them."

Adhikari too barely escaped the tremor with her life. Physically disabled, she recounted how she fell several times in her haste to reach an open ground. "International aid enabled me to rebuild my home in about seven months," she told me. "But it took me much longer to bring myself to actually live there." That year, while her house was rebuilt, she spent the harsh summer and monsoon living within the construction site.

Both spoke of the long-lasting consequences of the quake. Job opportunities, that had never been plentiful in this region, dried up. Tourism numbers dipped. Many ended up taking loans from extortionate moneylenders to rebuild their lives and homes. Poverty escalated and many migrated. Cases of human trafficking increased, as did frustration among youth.

"Yesterday, we experienced another

small quake and painful memories from 2015 came flooding back," Adhikari said. "I don't know if we can survive another one." They might not. The impact of strong earthquakes snowballs in underdeveloped, poverty-stricken regions. Which is why there's much to learn from the Nepal case.

SEEDS (Sustainable Environment and Ecological Development Society) has been working with the governments of India and Nepal and the United Nations Development Program to train Nepalese survivors to construct earthquake-resilient houses. "In Nepal, most of the houses that collapsed had been built by migrant labourers who had little idea of local geology and traditional architecture," said Manu Gupta, co-founder, SEEDS. "Unplanned development also resulted in an amplification of impact of the landslides that occurred after the quake."

Unsettlingly, seismologists believe that the Nepal quake has likely loaded the surrounding region for an even more destructive mega-earthquake that could clock in at magnitudes of over 8.5. That's why it is critical for Indian policymakers, politicians and the average joe on the street to learn from the Nepal quake and mitigate the impact of the next Big One. For like it or not, it's going to happen.

## Squabble over lawn space



PEOPLE LIKE US

KISHORE SINGH

Sonu, our gardener, is a typical millennial. He likes trendy jeans and expensive sports shoes, commutes on a motorbike, frequently varies his shades, and doesn't like getting his hands dirty — which is a disadvantage in his job. He has been tasked with tending to the plants at home, which isn't really arduous, but Sonu is a shirker. He won't compost, fibs about re-potting, grumbles when plants need to be lifted indoors, and is often truant. The only thing he is diligent about is frequently ordering saplings from a nursery — "for a commission", my wife informs me. He is always asking for a raise. He works at multiple homes and no one has a kind

word to say about him. Though he is a rogue, he manages to hold on to his freelance jobs because of his good-natured charm.

Omkar is the *maali* who tends to the greens around our cottage on the Yamuna's flood banks. His is a full-time job, and he does it with the instinct of a farmer. It is thanks to him we have a year's supply of potatoes in store, and are kept supplied with the season's vegetables — though why he thinks brinjals require the largest patch of the kitchen garden I cannot say. Thanks to him, we have been introduced to several vegetables that don't make it to the market, and even if we don't care much for them, they add variety to our diet. He has planted both black gram and white gram, and we have benefitted from a constant supply of tomatoes and chillies. Already, the wheat crop has been replaced with corn. Soon, there will be melons, but also — alas — bottle gourd and bitter melon. Yet, I forgive him, because he runs to fetch us mulberries from one neighbour's farm, and fresh buttermilk from another. The barter trade works to our benefit.

If Sonu knows nothing about vegetables, Omkar knows nothing about flowers. He is amused by how much land is "wasted" on blooms that, while they

look pretty, contribute little to one's life. Every time Sonu or my wife appear with yet more flower seeds for planting, Omkar's dismay is evident. The two squabble over the grass for the lawn, arguing about the better variety, whether to use river sand or clayey soil, and whether it's time to mow. Sonu prefers ornamental lemon and mandarin shrubs, Omkar thinks them rubbish and would rather have fruits that have some use. Both owe fealty to their own teams of labour and are constantly trading stories about the incapability of the other.

A Dutch colleague recently bought us a packet of tulip bulbs from Schiphol airport. It was a thoughtful gift, but quite impractical. With Delhi's heat touching 42 degrees, no tulips are likely to flower — not now at any rate. Omkar isn't much bothered by this, but Sonu is very taken with the "imported" buds. He has advised us to store the bulbs in the fridge and to keep them dry by rotating them every few days by bringing them out till it's time to plant them in November. This has got the cook, who must dedicate a shelf for this, riled. "Memsahib," she has declared, "if this tulip *shulip* likes the cold so much, why not let them grow in the fridge?" My wife is giving the matter her serious consideration.



WEEKEND RUMINATIONS

T N NINAN

A digital future

In an election season that has plumbed the depths in many ways, and is notable also for the pushing of sundry false narratives that are demonstrably divorced from the reality, an unqualified success that the Modi government can lay claim to is the significant advances made towards what in short can be termed a digitally connected country. This is captured neatly and imaginatively by a report put out by the McKinsey Global Institute, Digital India: Technology to transform a connected nation.

India is now next only to China in the number of its internet subscribers (560 million), and in the number of apps downloaded (12.3 billion in 2018). Indians also spend more time on social media than the people of any other country. India happens to be digitising faster than any country other than Indonesia (90 per cent growth since 2014), with plenty of headroom for more growth. No country at a comparable level of per capita income would seem to be in the same ballpark on these metrics.

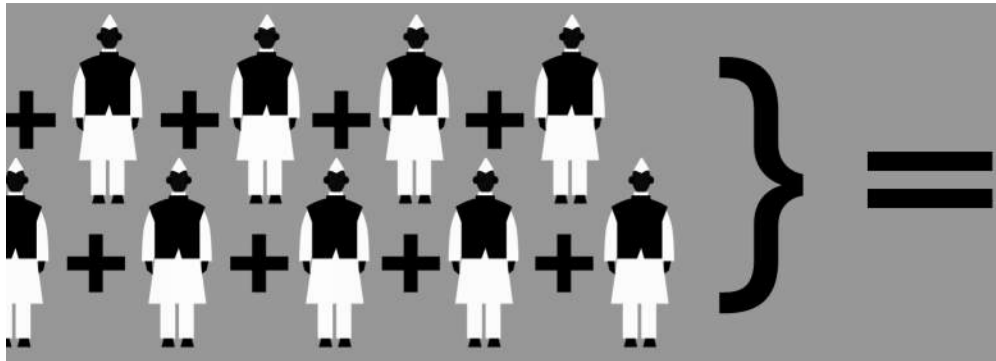
What has brought this about? The short answer is Aadhaar, Jio, Jan Dhan, and the goods and services tax. The last of these has led to 10.3 million businesses getting on to a tax-paying digital platform. McKinsey outlines some developments that are well known: Data costs have plummeted 95 per cent since 2013, while fixed-line download speeds have quadrupled. The result, it seems, is that mobile data consumption per user has increased 152 per cent annually! There is more: The poorer states are closing the digital gap with the wealthier states. UP alone has added some 36 million to its online population. Millions of ordinary people in towns and even villages can now go online and read the news, chat with friends, send money, watch movies, order food, and shop. All of it put together is nothing short of transformative—a word that the Modi government likes to use in many other, less convincing contexts.

The macroeconomic consequences are said to be substantial—including on jobs. But it's a good news story, for the report says the digital economy will generate 60-65 million jobs by 2025, 20 million more than the 40-45 million existing jobs that are in danger of disappearing or getting automated. Farming costs could go down by 20 per cent through more efficient use of inputs, and income could go up by 15 per cent through better product prices attained on online networks, while post-harvest waste could be cut significantly. Logistics costs—14 per cent of GDP in India, nearly twice what it is in some other economies—could be pared through more efficient tracking and use of truck movement (fleet turnaround times could reduce by 50 per cent or more).

The health industry could benefit enormously from digital technologies, so perhaps could education. Indeed, some of the disadvantages that small businesses face vis-à-vis large businesses in terms of the relative speeds with which they move to digital functioning may get reduced over time. While large companies will be able to take greater advantage of artificial intelligence and the Internet of Things, better connectivity and falling data costs could reduce that advantage.

None of this will happen automatically. As McKinsey points out, governments, businesses and individuals will all have to embrace change and figure out the best ways to move towards digitisation—including on such basics as land records and business transparency (which could improve access to bank credit). There are also many aspects of this wave of digitisation that are not to the good—including the impact of toxic social media, the loss of privacy, and so on. The rules for this new world will have to be framed carefully to prevent business capture as well as political misuse, and to protect citizens from predatory action. What is required is to minimise the costs as much as to maximise the benefits. Still, the over-riding message is clear: The prospects of digitisation are so overwhelmingly advantageous, if not also inevitable, that those who become laggards in adapting to the new reality are the ones that will be left behind.

ILLUSTRATION BY BINAY SINHA



Congress needs to return to 2019

Numbers show Congress is the only party that can deny BJP a second term. But it hasn't shown focus, resolve, organisation & decisiveness needed to do so

Madhya Pradesh Chief Minister Kamal Nath is the latest, and, so far, the most senior Congress leader to indicate a target for his party in these general elections. The Congress, he said, echoing what the party's data chief Praveen Chakravarty had said a while back, would triple its tally from 2014. Then, Kamal Nath also laid out his party's central objective for 2019. This number, he said, would be enough to deny Narendra Modi a second term.

Not surprisingly, this drew immediate derision, even more from Congress supporters than the BJP's. The party must be nuts to not even claim it is going to get enough numbers to form the new government. That this is being defeatist midway in the campaign. Further, that three times 44 is merely 132. If the Congress itself has limited its sights to 132, it would struggle to get past 100.

These objections are factually correct and politically fallacious. Here is how. Today, if the BJP reaches 200, it will definitely form the next government. The only way to stop it is to keep it well below 200.

Draw a "scissors" graphic for the BJP and Congress for 2019. If for the BJP, especially the Modi-Shah BJP, the minimum target is 200, they will watch the point where the two arms of the scissors intersect. That, is where the Congress reaches a mere 100. If the Congress reaches three figures, the BJP begins looking at a number below 200.

Every seat the Congress gets above 100 will keep pushing the Modi-Shah BJP lower in the dangerous sub-200 zone. Just to idiot-proof this so that I am not misunderstood, I am not saying the Congress is going to get that many. My limited point is that at 100, the Congress crosses a vital threshold.

And 132, thrice the 2014 tally, can quite likely deny Mr Modi a second term. Remember that 132 is just a

dozen below the number at which the Congress was able to stitch together UPA-1 in 2004. Once again, for heaven's sake, I am not saying it will happen. My limited submission is, don't scoff at 132.

Review the numbers of 2014. Of the BJP's 282 seats, as many as 167 came in constituencies where the Congress finished second. In other words, the Modi wave was mainly built around the BJP's total destruction of the Congress, which came down from 206 to 44, almost all its losses going to the BJP. Another 38 were taken by the BJP from the SP and BSP in Uttar Pradesh. If the Congress were to reach 100 now, it would have wrested about 60 back from the BJP. Given that the BJP is expected to forfeit to the SP-BSP alliance what it took from them in 2014, this could be decisive. Yet again, my third anticipatory bail application, I am not saying it is going to happen.



NATIONAL INTEREST

SHEKHAR GUPTA

To understand how distant that 100-seat mark is, examine where the Congress party's 44 came from. These were spread over 16 states. Only in one, Karnataka, the Congress reached double figures, exactly 10. Next were seven in Kerala.

The remaining 27 seats were scattered across 14 states on what we might call the 1-2-3 basis. Each of these was won against the run of play, purely on the individual strength of the candidate.

Of the 167 seats where the Congress finished second to the BJP (out of 223 overall), in only 14 was the deficit less than 10 per cent of the votes cast for a BJP. Turn the knife: The number of seats with a gap between 10 and 15 per cent was just six. Any psephologist worth his calculator would tell you that a 10 per cent swing back is like reversing a landslide. As for the rest of the seats, the gap goes up to 75 per cent.

Why betting on elections won't be legalised



VIEWPOINT

DEVANGSHU DATTA

One major problem with India being an electoral democracy is that it is a hugely expensive process. Quite apart from what the Election Commission (EC) claims it spends, it co-opts many bureaucrats from all cadres. Those *babus* being pulled off their normal tasks impose large indirect costs.

In addition to what the EC spends, and the opportunity costs imposed, there's the whole dirty business of campaign funding and spending. There are the large sums officially spent by political parties (and rich independent candidates). There are vastly larger "off-book" truckloads of cash spent on hiring goons, handing out illegal

inducements to voters, etc.

Every businessman I know complains bitterly about politicians forcing them to cough up large sums, both under-the-table in cash and in cheque contributions as well as "soft contributions" like the use of vehicles, for every election.

The BJP, to its credit, introduced sweeping changes, which made it easier for political parties to raise large sums while making it impossible for voters to figure out the identity of political donors. Earlier, it was illegal to source funding from overseas corporate entities, and all corporate contributions were limited to a percentage of historical profits recorded by the donor. The contributions had to be mentioned upfront, both in the corporate balance sheet as well as the accounts submitted by the party. Anonymous cash donations were limited to ₹20,000 at one go. In practice this just meant political parties issued multiple receipts for larger cash donations.

This system was by no means perfect, but it did mean some degree of transparency. If a company appeared to be unduly favoured by a political party, and the said company had donated to the party in question, there was a smoking gun in the form of circumstantial links. An overseas entity

could not directly influence an election by pumping money in. Moreover, since the donor had to have a track record of profitability, it wasn't that easy to set up a shell company and anonymously funnel political contributions through that.

The BJP made it entirely legal for an overseas entity to pump money into an Indian election. The linkage to profitability was also removed, making it easy to set up shell companies solely for the purpose of making large political contributions.

Finally, in a masterstroke, the election bond was conceptualised to give donors strong assurances of anonymity, thus sparing them the scrutiny of voters. This makes it a lot easier for the ruling dispensation to hand out favours to corporates and to receive concrete pecuniary benefits in return without leaving a direct paper trail.

In tandem, the BJP also made one of those ridiculously theatrical moves. It lowered the limit for anonymous cash contributions to ₹2,000. This just meant political parties issued more receipts when they accepted cash donations.

Although electoral bonds have been challenged in the Supreme Court, it's unlikely that any political party will really want to reintroduce transparency to fundraising. Most politicians are gamblers:

They spend vast sums in the hope of winning elections. The current system vastly improves the prospects of raising funds for winners, and most politicians will gamble on being able to win rather than cut off sources of potential lucre.

But purely as a theoretical exercise, consider a system where political parties are funded by government largesse. Such systems exist in most democratic nations—in fact, India is the big exception to the rule. In some places, public funding occurs side-by-side with direct contributions to the party or the individual candidate (funding may be matched to direct contributions as in the USA). This reduces scope for cronyism.

The extra burden on the exchequer can be easily met. Many billions are bet illegally in the "satta" market on election outcomes. Just legalise betting on elections, and skim 33 per cent tax off the top. That's how lotteries are taxed. Legalised election betting would truly be a masterstroke. It would drive black money and *satta* operators out of business while creating a more level and transparent playing field for politics. This is, of course, why it will never happen.

Twitter: @devangshudatta

Opposition v BJP/RSS v Modi



LINE AND LENGTH

T C A SRINIVASA RAGHAVAN

Whichever way the cookie crumbles, the BJP is a formidable force to be reckoned with. It is the largest party. Only a major upset could bring it down. The BJP is a formidable force to be reckoned with. It is the largest party. Only a major upset could bring it down. The BJP is a formidable force to be reckoned with. It is the largest party. Only a major upset could bring it down.

Opposition v BJP v Modi.

Basically, what Mr Modi has been saying to the voter is "listen, I am your man, never mind the party or the candidate. Vote for me because I am the schizzle". It seems he has been able to convince enough voters that he is indeed der Mann. The result is that when the voter now presses that EVM button he is not voting for the BJP. He is voting for Mr Modi.

Even the RSS, which for a while was miffed with Mr Modi, has now had to acknowledge that he has outfoxed it. The story of how he neutralised the RSS will, I hope, be told one day.

It is similar to the way Indira Gandhi did it. She was the CPI and Manmohan Singh was the CPI(M). The moral is don't push the largest party. Only a major upset could bring it down.

Whether Mr Modi is emerging as a latent miracle would yield a different result. Though this was always known, Mr Modi is a good thing or bad thing can Narendra Modi would not be prime minister. But he has proved equal to the challenge and has squashed all opposition. The fact is that this is the first time since 1990 that we have a fully personal choice at the central level. We are choosing a party but an individual, and all, to be prime minister.

At the state level it has always been that way. To think that it would be otherwise

at the central level was just a pipe dream.

Modi Mk 2

As the election has progressed I have also started betting that economy-wise, Mr Modi will act very differently. In NDA II he was focusing on micro stuff because he wasn't very comfortable with anything else. That was inevitable, given his background as a chief minister. He said in his interview to Akshay Kumar that a CM had to focus on the nitty-gritty.

But now we can expect a more self-confident, less blustery Mr Modi who will focus on structural reform. In the main, he will do what needs to be done to make India an efficiently competitive economy.

Remember: A competitive economy need not be efficient (China) and an efficient economy need not be competitive (all economies of the western hemisphere).

Thus, if he were to ask me, I would tell Mr Modi that the real Congress legacy he has to undo is not Pandit Nehru's social and political philosophy—which fits India perfectly—but his daughter's economic philosophy, which even Dr Manmohan Singh was critical of—that too as far back as 1983. He said as much in an interview to *India Today's* T N Ninan then.

The problem is this. Mrs Gandhi pretty

much destroyed both India's efficiency and competitiveness by leaving a politically attractive but economically catastrophic legacy that focused—supposedly—on equity over efficiency.

That legacy, which was carried forward by every single government since then, has made all three factors of production—land, labour and capital—hugely costly in India. It is this that has left India so far behind its competitors, including little Bangladesh.

It is this legacy that Modi V2 has to undo.

The sequencing

The order in which the next government attempts this will be crucial. In 2014 Mr Modi tried to fix the land and labour problem first and failed.

As a result, he was unable to fix the capital problem as well because he was forced to borrow more, which left capital costly. The Indian economy's current problems are entirely because of this.

This time around he must borrow less to leave more for the private sector and tackle the land problem afresh. If this is done, the states will sort out the rigidities of labour laws on their own because if they don't they will not get any investment.

In 2014, speaking for the first time in Parliament, Mr Modi had asked for 10 years as prime minister. Now that he is likely to get them, he should focus on what his economic legacy.

The science of Game of Thrones

EYE CULTURE

KUMAR ABISHEK

"The truth of art keeps science from becoming inhuman, and the truth of science keeps art from becoming ridiculous."

—Raymond Chandler, American-British novelist and screenwriter

The *Game of Thrones* (*GoT*) world is one of the most complex and yet ridiculous fictional worlds ever created. And like all fictional worlds, it is self-consistent where our laws of science or general moral code do not apply. Here dragons fly and the dead lives.

Still, in the *GoT* world, there are many similarities with real-life events, developments and characters like that between Danerys and Henry VII, the founder of the Tudor dynasty, who was the unlikely conqueror when his soldiers slew Richard III and overthrew the Yorkist dynasty. So, it is apparent that the *GoT* world is inspired by our own but also imaginative.

So let's see how wild is the imagination of George R R Martin, the author of *A Song of Ice and Fire*, which has been adapted into *GoT*.

First, why are seasons so crazy on the *GoT* planet, where winters and summers last for years? As the story begins, the most-recent summer has stretched for 10 years. On earth, changes in seasons are resulted by its axial tilt and revolution around the sun.

We know that the *GoT* planet once had two moons—one got too close to the star and cracked. Maybe the surviving moon is not large as ours and the planet wobbles like a broken top on its axis. But many a time, a planet without a moon is fairly stable. So, is the *GoT* planet being tugged along by another star? Martin in his previous novel, *Dying of the Light*, did write about a rogue planet's erratic course taking it irreversibly away from the parent star.

Maybe *GoT* is set in that universe only. Also, a group of graduate students at Johns Hopkins University in a study backed this idea—the story takes place on a circumbinary planet, a world that orbits two stars.

Second, the planet's geography. Miles Tarer, geological data scientist and educator at Stanford University, calculated that the planet's radius is around 6,915 km, slightly larger than earth's radius of 6,371 km, based on the presence of an ice wall along its Arctic and desert in further south (on earth, deserts appear within a general latitude range, with most near 30° north). Also, 25 million

Let's take a step back to see how this puts the party's recent wins in Chhattisgarh, Madhya Pradesh and Rajasthan in perspective. It did succeed in reversing that 2014 landslide. So, it can attract that kind of voter-base in these states. For the party to get to that magical century mark, it must get at least 30 seats in these three states. Given its large lead in Chhattisgarh, the party can probably expect a robust number there. But, it would be way too optimistic to expect 25 seats in Madhya Pradesh and Rajasthan. A Lok Sabha vote for or against Mr Modi may not reflect the state assembly numbers.

That's the state of play at the mid-point of this election. This election is still open. While Uttar Pradesh has received most of the attention, the issue will finally be settled in Madhya Pradesh, Rajasthan, Haryana, Himachal Pradesh, Uttarakhand, Maharashtra and Jharkhand, Assam and other states where the BJP and Congress come up directly against each other in nearly 150 seats.

Mr Modi and Amit Shah know that the Congress is the only party that can deny them power. This answers the question asked often in this campaign: Why does Mr Modi concentrate his attack on the Congress even where the party isn't his main rival? It is as important for him to keep the Congress below 100 as much as it is for his rivals to limit him below 200.

If 132, three times the 2014 tally, was the number to deny Mr Modi a new term, it would have looked likely three months back. But how has the Congress approached that target then on? Has it shown the focus, resolve, organisation and decisiveness to get there?

This brings us back to a late-night drive on an empty desert highway on our way back home from the southern Haryana town of Dabwali, where we journalists had gone to cover a massive hooch tragedy in 1980. Some of us had taken a ride back with Devi Lal, then an opposition leader. Suddenly the driver jammed his brakes to avoid a hare caught in its headlights. But too late. The hare jumped one hesitant step right, one left, and was caught under the wheels.

Devi Lal told us a story. He said the same thing had happened once when he was driving with Partap Singh Kairon, the formidable chief minister of undivided Punjab who he used to assist as a political aide. He said Kairon too stopped the car and told him, *Chaudhri, tu dekhiyo* (you will see), this is what will happen to Nehru. You have to go left or right. Nobody can survive indecision.

Apply the same test to the Congress, now run by Nehru's third generation descendants. From aligning with the BSP/SP in Uttar Pradesh to AAP in Delhi, far from reaching out to Mamata Banerjee and even KCR and Naveen Patnaik in Odisha, to make common cause whatever the price, disciplining its troops to back JD(S) candidates fully in Karnataka instead of fighting with them, and now Priyanka Gandhi's to-be-or-not-to-be and finally it-was-never-to-be in Varanasi, what has Rahul Gandhi's Congress looked like? A hare caught in the glare of headlights.

If the excuse is that the party has to rebuild itself for the future, it's a touching fantasy. Because, in politics as in cricket, you do not ruin your first innings because you want to play the second better. The party should take the cue from Manmohan Singh, who, intervening in the Parliament debate on demonetisation, had said, invoking Maynard Keynes: In the long run, we are all dead. In this case, the risk is being run over even in the short run.

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