

'Sur-real' estate buyer behaviour

Real estate websites might have decimated the classified ads of newspapers, but they are yet to fully capitalise on the capabilities of data analytics



AMBI PARAMESWARAN

You are ready to make the biggest acquisition of your life. You and your partner have saved up a significant sum and are eligible for a hefty loan from your employer. So you decide to look for your dream home. To do some serious research you dig into the most popular real estate websites. You type in your requirements: 2BHK, location, price range, old apartment (have to save on the hefty monthly maintenance fees)... You would also like to know if there are good schools, good restaurants etc. nearby.

Lo and behold, 20 options are thrown up in a matter of minutes. For each apartment you are told the 'listing price' indicated by the home owner. You also are told how volatile the prices have been in that neighbourhood. When the same apartment was sold last and what was the price paid by the current owner. What was the price of a similar apartment that was sold in the last six months. Along with all this information you are also told what is the website's estimate of the price of the same apartment, say one year or three years ahead. The website also offers nicely "done up" photographs of the various rooms of the said apartment. You are also shown pictures of the building from road level, the lobby and more. The site mentions for how long the apartment has been in the market and how to fix an appointment to visit.

And you have 20 apartments to look at and form your impressions. The site also suggests some brand new buildings coming up in the area, sponsored links provided by builders.

Yes, Indian property websites, mag-

icbricks.com, 99acres.com, housing.com and roofandfloor.com, are not there as yet with all that information, but if you are on a home hunting trip in any part of the developed world, you will go through pretty much what I have described above. The emergence of new-age websites such as Zillow.com, Trulia.com and Redfin.com in the US has transformed the whole process of home buying. The role of the real estate agent has undergone a dramatic change. The huge information asymmetry that traditionally existed between the buyer and the seller, with the broker playing the midwife, is no longer so steep. The process has become a lot more transparent (it is another matter that millennials are questioning the whole idea of home ownership, but that will be the topic of a future column).

JLL (Jones Lang LaSalle) in its *Global Real Estate Transparency Report 2018* rated countries and cities on their "real estate transparency". The top rated cities in the report include London, Los Angeles, Sydney, San Francisco and

Manchester. The top rated countries are also predictable: UK, Australia, USA, Canada, France and the Netherlands. The report says that thanks to some of the initiatives taken by the Indian government in recent years, India improved its ratings to No. 35 and got rated as "semi-transparent". China is just ahead at No 33 while Indonesia and Brazil are below India at No 42 and No 37 respectively.

The rise of a new breed of startups in what is called the proptech sector has transformed the real estate market in many parts of the world. Using data analytics and other digital tools these companies are able to provide users a lot of information at the click of a button. Proptech was barely a topic of discussion a few years back. However, due to digitisation efforts in various industries, the real estate market also attracted its own share of technology incumbencies. *Forbes* refers to proptech as "businesses using technology to disrupt and improve the way we buy, rent, sell, design, construct and manage residential and com-

mercial property". The article also speaks about the emergence of proptech 1.0 (online listing of real estate properties), to proptech 2.0 (use of data analytics and virtual reality to offer better services to customers) and now proptech 3.0 (experimentation with emerging technologies such as drones, VR tools, blockchain etc.).

In India we are still trying to work with proptech 1.0, though I must admit that some of the property websites are offering photographs, even approximate pricing information. But by and large the information provided by the websites is still very patchy. Brokers call the shots and there is nothing like a "registered" real estate broker in India. Indian real estate websites may have decimated the classified ads of traditional newspapers, but they are yet to fully capitalise on capabilities of data analytics. But with better regulation and transparency, we may see real prices and real sales records available in the public domain. And Indian real estate sector, which is a big job generator, will no longer be "sur-real" but will play a more "real" role in the overall growth of the economy.

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CHINESE WHISPERS

Powerless Kamal Nath

Frequent power cuts have become a major election issue in Madhya Pradesh. On Monday, when Chief Minister Kamal Nath and his family reached a polling booth in Chhindwara to cast their votes, they were met with another outage. Nath was with his wife, Alka Nath, and daughter-in-law, Priya Nath in a booth in Shikarpur village (Saunser Assembly area). Left with no choice, the family used mobile phone flash lights to go through the process. Nath had faced frequent power cuts during campaigning and had alleged conspiracy. A large number of employees and officials of the energy department has been suspended in the last couple of days. Polling for six Lok Sabha seats of Madhya Pradesh, including Chhindwara, took place on Monday.

Bullfight of a different kind

A stray bull that ventured into a *mahagathbandhan* rally in Uttar Pradesh some days ago has managed to enter the election narrative in the state. At another rally on Monday, Chief Minister Yogi Adityanath said the bull had entered the venue probably to find out if any slaughterhouse operator was present at the meeting and give him the treatment he deserved. Samajwadi Party chief Akhilesh Yadav, at whose meeting the bull had made its entry, said the animal came to air its grievances. At a rally in Amethi, Priyanka Gandhi Vadra, the Congress general secretary in charge of eastern Uttar Pradesh, said farmers in the state were forced to stay awake to keep a watch on their crops during night, thanks to the menace of stray animals.

Tea to blame?



The Trinamool candidate from Asansol, Moon Moon Sen (pictured), presented a rather bizarre explanation for not being aware of the violence in the constituency where the car of a sitting MP, the Bharatiya Janata Party's Babul Supriyo, was allegedly vandalised by her party workers ahead of polling. When a television channel asked her for a response, she said she "hadn't heard anything" about the episode because she had woken up late. She went on to add that she got up late as her bed tea was served very late. "They gave me my bed tea very late so I woke up very late. What can I say?" said Sen on Monday when the polling was held in Asansol. The actor-turned politician also claimed that the Trinamool had won the seat already.

Volkswagen's India strategy 3.0

The European carmaker is merging its three companies in India in an attempt to extract cost advantages from synergies and boost sales

SURAJEET DAS GUPTA

It's been an insignificant player in the Indian passenger car market with a paltry 2 per cent share, despite selling its products here for over 17 years. And like many other European and US car makers, Volkswagen group's high cost of production, failure to indigenise quickly and problems with consumer service reputation have plagued its brands for years. If that was not enough, it was hit by the global impact of the scandal involving cheating on emission norms, which inevitably hit sales.

Undeterred by its chequered past, however, the German giant is now making a third major attempt to capture the Indian market. A fortnight ago, Volkswagen group announced that it would be merging three of its companies in India — Skoda India Auto (with its factory in Aurangabad), Volkswagen India Pvt Ltd (which manufactures cars in Pune), and Volkswagen Group Sales India (which sells all the Volkswagen brand cars, including Audi and Porsche but not Skoda). The merged entity will be led by Skoda, and its former boss Gurpratap Boparai will oversee the new entity, having been designated head of Volkswagen group.

The group now has a clear target: It wants to grab 5 per cent of the Indian passenger car market by 2025, which would require a five-fold increase in car sales to 250,00-300,000 a year. It will invest €1 billion in the next few years to make that a reality. Already in the works are two sports utility vehicles launches, one each from Skoda and Volkswagen, which will be followed by one sedan each sometimes in 2019-20.

The key difference will be that these new products target a net indigenisation of 95 per cent compared to 75 per cent in the Pune plant and as low as 10 per cent for the premium cars in the Aurangabad plant (most of them come as CBU's).

This exercise marks the second time that Skoda will be at the helm for Volkswagen group in India. The group came to India in 2002, led by Skoda, which set up a plant in Aurangabad and launched the Octavia, just when General Motors decided to withdraw the Opel brand from the country. But in 2007, Volkswagen decided to become more aggressive, and set up a new plant in Pune in 2010 to produce a more mass-based car in the Polo, and it took over the leadership of the group's ambitions in the country. Despite initial successes, sales stagnated and the group was forced to focus on exports to keep



its factories going. So from a peak sale of 114,045 cars in calendar year 2012, Volkswagen group sales (which include Audi and Porsche) nearly halved to 61,242 in 2018.

So will the merger bring back the magic? Boparai thinks so. "The proposed merger of the three companies will make use of the existing synergies more efficiently towards the development of this important growth market, will primarily focus on optimisation through localised product development, synergies in manufacturing processes and cohesive sourcing partnerships and procedures across the

Volkswagen Group companies," he says.

For instance, both Volkswagen and Skoda will use the common MQB -AO platform, which will be tweaked for India in its new technology centre, to build their upcoming car models that will be compliant with the new emission and safety norms. This will save costs. It will also be able to combine the technical and managerial expertise of the three companies. Plus, with the sales and manufacturing companies of Volkswagen merging, the gap between what customers are looking for and what engineering is producing can be narrowed.

Though the business case for the merger appears logical, auto analysts suggest that the move could be more about optics and the gains might not be so significant. For instance, they point out that using common platforms between group companies is not new — both the Rapid sold by Skoda and the Vento from Volkswagen in India basically used the same platform. Despite the cost synergies, neither could sustain volumes. The Octavia and the Jetta are based on similar platforms as well.

Those who have followed the company say common purchase teams negotiated with vendors before the merger and manufacturing was also synergised too — for instance, the Skoda plant in Aurangabad would manufacture niche, premium products which apart from Skoda cars included the Volkswagen Tiguan and Passat and various Audi models. They, however, agree that the only significant benefit would be merging sales with manufacturing. "A car's success requires a few things — imagery, which is created from sales and marketing, pleasure of driving and styling which is created by engineering, initial cost which is a function of engineering and the purchase department and ownership cost which is determined by a combination of engineering, purchase and sales. In Volkswagen these functions were divided between two companies which made it not very effective. The merger will resolve this problem," says a senior auto expert.

But the key question remains: will the group will be able to get its return on the substantial promised investment by merely increasing its share of the market by 3 per cent?

ON THE JOB

Voters want jobs more than anything



MAHESH WAS

In the past few years the government has fought a hard battle to control the narrative on jobs. But, the problem is too big to be controlled by the government and its apologists.

CMIE surveys regularly show the deteriorating situation on the jobs front. Leaks of government surveys point in the same direction. It keeps getting harder every day for the government to drive its narrative that ample jobs are being created. They sound increasingly silly as they try to defend the indefensible.

But, the issue of employment is not merely a subject for statisticians and the government to battle in television studios or in newspaper columns. It is an important issue among voters. And, apparently, people are not fooled.

A recent report based on a survey published by the Association for Democratic Reforms (ADR) is revealing. Unlike the household surveys conducted by CMIE or NSSO, the Association for Democratic Reforms conducts a survey of voters. Its sample is therefore selected from parliamentary constituencies.

The survey covered 534 out of the 543 constituencies. Its sample is large at 273,487 voters. The survey was conducted from October 2018 to December 2018. Results were published in February 2019.

The survey presented 31 issues to the voters and asked them to pick the

top five issues that should be the government's priority. Each of these five top priorities had to be ranked in terms of their importance. They had seven specific questions for rural India. These were regarding availability of loans, electricity, water and subsidies; and price realisation, sand and stone quarrying and water pollution.

There were five specific issues listed for urbanites — traffic congestion, water and air pollution, noise pollution, facilities for cyclists and mining.

The remaining 19 issues were common for rural and urban voters. Of these, three were related to employment. These were — better employment opportunities, reservation for jobs and education, and training for jobs.

But, employment as an issue was embedded in several other fairly important issues that voters face in daily life. These included four issues regarding security — terrorism, security military, law and order, and, security of women. There were four issues listed related to infrastructure such as public transport, roads, electricity, garbage collection and encroachment. There were three on basic services such as health, education and water and another two on food. Eradication of corruption was listed separately as well.

Evidently, this was not a survey on employment/unemployment. It was a survey to find the important issues that matter to the voter.

And the voter has made clear that the topmost issue in his/her mind today is better employment opportunities. About 46.8 per cent of the respondents listed better employment opportunities as one of the top five issues. The ADR questionnaire asks the respondent to list the top five issues from the list of 31 issues described above.

What is also important to note here is that in a similar survey in 2017, better employment opportunities did figure

in one of the top five concerns even then. The difference is that in 2017 only 30 per cent of the respondents considered this to be a top priority. Now, nearly 47 per cent believe so.

The next most important issue is better health care services which had a distant 34.6 per cent respondents identifying it as one of the top five priorities.

The ADR report lists the top 10 issues that figure in the voters' top five concerns. This list is revealing in one interesting way. Terrorism or the need for a strong military did not figure in this list.

The only security concern that voters had in the top 10 issues was of the need for better law and order and policing. Voters worry about the threat to their own security locally more than the problems from across our national borders. Even this local law and order problem ranked tenth.

People need jobs, health services, drinking water, better roads and better public transport. These are the top five concerns of the voters.

Voters also believe that the government is handling the jobs problem pretty badly. On a scale of 1-5 where a higher score implies better performance by the government, voters, on an average, ranked the government's performance at 2.15. This is not only below average but is also among the worst on performance compared to other factors. Further, the government's efforts at hiding its own data and rubbishing other data has worked against it. In the 2017 survey, the government's efforts to address the employment problem got a higher score of 3.17.

The government needs to worry about employment and about what people think about its record on solving this problem. Obfuscation of data and management of the narrative is evidently counterproductive.

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LETTERS

A retrograde step



This refers to the editorial "Fix royalty payment" (April 29). I think the Securities and Exchange Board of India's (Sebi's) decision to "put on hold its mandate to give minority shareholders a greater say in deciding royalty payments by listed companies" is a retrograde step. Whether nudged by the government or under pressure from the MNC lobby, the move puts in reverse gear its own earlier decision to insist on shareholder approval for royalty payment. A typical case of "one step forward and two backwards", not uncommon in our country.

Indeed, "cosy related party deals have been the bane of India Inc." and billions have been transferred back to parent companies without any commensurate gains to the Indian subsidiaries. We can't allow the *jagirdaari* system to continue in perpetuity! The ministry's apprehensions about "curbed royalty payments leading to outflow of foreign capital" are baseless. If the government is transparent and explicit about our laws governing foreign investment in India, there should be no such issues. Companies look at increased sales and dividends and not just royalty for returns on their investments. They look at markets beyond India for goods produced here at competitive costs. Transferring royalties to the

extent of more than 25 per cent of aggregate profit is nothing short of exploitation. It has to stop.

Yes, as you rightly argue, we have to remove too much bureaucratic interference by fixing the threshold at a very decent 5 per cent instead of the measly 2 per cent — for payments without minority shareholders' approval — and thus concentrate only on the bigger cases. The Kotak Committee recommendation was more prudent when it suggested 5 per cent; let's just accept that. Really a simple case of the age old "abc analysis" which would facilitate greater attention to genuine cases that deserve shareholder attention.

Krishan Kalra Gurugram

Be result-oriented

This refers to "RBI cracks whip on auditors, to fine-tune oversight regime" (April 29). A result-oriented oversight is key to saving the banking sector from the growing incidents of bank credit turning into bad loans, early mortality of loans, and related frauds. Despite the robust systems and procedures in existence, banks are losing their earnings significantly to meet the provision and write-off requirements on account of bad loans and frauds.

Auditing and inspections are being conducted to prevent monetary and credibility losses of banks and to ensure that the organisation is free from any vulnerability and is trusted by the customers and other stakeholders.

HAMBONE



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On a high horse

SC ultimatum on RTI info exposes RBI's overconfidence

The Supreme Court on April 26 issued an order that must have been a severe setback for the Reserve Bank of India. The apex court declared that the banking regulator was in contempt of court for failing to comply with a 2015 order directing it to make information regarding its annual inspection reports (AIRs) of banks available under the Right to Information Act. The court said the RBI had a statutory duty to uphold the interests of the public, depositors, the country's economy and the banking sector, and that it should act with transparency and not hide information that might embarrass individual banks. The court gave the RBI one last chance to provide the information, and to withdraw the disclosure policy that governed the AIR, which the court also felt was in contravention of the RTI Act. The RBI felt that its own governing legislation, the RBI Act, specified that it must not share information on banks' transactions widely; but the court held the RTI Act had a wider applicability, given that Section 22 of that latter law specified that it overrode any relevant provisions of previous legislation.

There are two lessons that need to be learnt from this unfortunate experience. Clearly the RBI must examine its legal strategy again. There were obviously serious lacunae in how it understood the legal framework to apply. The RTI Act contains specific exemptions for information related to commercial advantage or that pertains to a fiduciary relationship. It is unclear why the RBI has not relied on these exemptions, or why it has not been able to persuade the court that they apply to a confidential bank inspection report. It can also of course redact the portions that most directly relate to commercial transactions or fiduciary responsibilities and release the rest of the AIR. There appears to have been a certain overconfidence in the RBI with regard to how the RBI Act protects it from the branches of government. The central bank should look again at the source of this confidence — not just with respect to the judiciary but also the other branches. As it stands, the RBI should clearly have demonstrated greater agility in its arguments before the Supreme Court.

The case has anyway been going on for quite some time, and the RBI had enough time to discuss the issue with the government and convince it to amend the laws as necessary to keep the AIRs private, notwithstanding the RTI Act. This would have meant that there would be no reason for the Supreme Court to intervene. Unfortunately, there is a certain inflexibility about amending the laws even in response to emerging circumstances that causes situations like this to continue to arise. Now that the apex court has left the RBI with no option, the regulator must be more transparent in its disclosures. After all, it has been relentless in stressing the need for greater accountability from banks. The banking regulator was ticked off by the Chief Information Commissioner for failing to uphold the interest of the public and not fulfilling its statutory duty, by privileging individual banks' interests over its obligation to ensure transparency. It's time the RBI listened.

Rehabilitating BRI

Beijing seeks to project a better image of its giant infra scheme

At the second — and more understated — Belt and Road Forum in Beijing, China announced it would invest \$1 trillion in the Belt and Road Initiative, or BRI. Other estimates of the proposed spending over the next decade are even higher — Morgan Stanley has predicted it will total \$1.3 trillion by 2027, and that is on the lower side of these estimates. The hosts of the forum also declared that Chinese companies had invested \$90 billion in the various BRI countries. However, it would be a mistake to assume that Beijing's pockets are bottomless — there are ambitious plans for domestic urban infrastructure as well. The official development agencies certainly do not have that sort of cash on hand. The Silk Road Infrastructure Fund has only \$40 billion on hand; the Asian Infrastructure Investment Bank has \$100 billion and the New Development Bank, or BRICS Bank, has \$50 billion. A significant fraction of the lending of the latter two is also to India, which of course is not part of the BRI. The other method of lending of course will have to be then to specific projects and companies by the Chinese domestic lenders. Gavekal Research estimates this will, if carried out fully, soak up \$345 billion from state-controlled financial agencies and \$245 billion from state-owned commercial banks. But this still falls short; a significant proportion of the investment will have to be raised therefore by BRI "partner" states from domestic resources. However, the lion's share of the contracts in the BRI may well go to Beijing's own firms. Without a clearer sense of the macro-dynamics implied here, it is an error to speak of the BRI as simply Chinese investment in overseas infrastructure. It is far from clear whether in aggregate, and over the entire relevant decade, capital will flow in or out of China.

The question is whether, as some BRI investments fructify, the giant scheme is gathering momentum. Recently, the populist-led government of Italy, which is embroiled in a sustained and embarrassing spat with the European bureaucracy in Brussels and with other European capitals, Paris in particular, made a splashy entry into the BRI. Rome framed this as a *quid pro quo* — the BRI in return for Chinese investment. But it would be too soon to see this as a success for the BRI. In fact, the EU has managed to drive a pretty hard bargain with Beijing at bilateral talks in April, with the latter promising crucial liberalisation of its internal markets. There is a basic contradiction here: The more shapeless and unfocused the BRI, the easier it is for other countries to "sign up" to it — but the less impactful the initiative will be in specific areas.

What New Delhi should keep an eye on is not just how the BRI is used to justify investments in India's neighbourhood that render our neighbours dependent upon the Chinese economy, but also what alternative sources of infrastructure investment can be cobbled together in response to the BRI. It is worth noting that rhetorically the Chinese leadership has been significantly less aggressive regarding the BRI, particularly over the past year. This year's forum stressed "quality" infrastructure — a product of the armistice signed with BRI opponent Japan in October of 2018. Xi Jinping himself also stressed "zero tolerance" of corruption. Beijing appears to be sensitive to the widespread criticism the BRI has received. It is up to New Delhi to monitor whether this rhetorical shift is reflected in actual changes of how the BRI is implemented.

Generals, step back

Blurring the lines between soldiers and political activity is good neither for society nor for the military

There was a public furore in the United Kingdom in 2009, when aspiring prime minister David Cameron announced the elevation to the House of Lords of the former British chief of general staff, General Sir Richard Dannatt. Even Cameron's own party men objected to violating a longstanding convention that senior military officers steer clear of party politics, even in retirement. A senior Tory leader pithily summed up the widespread unease, telling *The Guardian*: "This is unwise. Dannatt is a perfectly decent man. But he has absolutely no political experience. All he can bring to the table is his military experience. How are his successors in the military going to take to his position?"

In India, however, there was scarcely a whimper of disquiet on Saturday, when Defence Minister Nirmala Sitharaman ceremonially inducted seven senior military veterans into the Bharatiya Janata Party (BJP) in a public function. One of them, Lieutenant General JBS Yadava, declared: "I agree that it is believed that defence forces will not go with any party. But, every person has a right to political thought... We can't just stay on sidelines."

Earlier this month, a former army vice chief, Lieutenant General Sarath Chand, was similarly inducted into the ruling party. While in service, he had testified before the Parliamentary Standing Committee on defence that the government had failed to allocate funds needed to replace the army's antiquated equipment. Now, less than a year after retiring, here he was declaring: "No one has worked for the military as much as the BJP."

True, there are no legal or legislative hurdles to a military veteran playing a political role, nor do Indian generals adhere to the British tradition of eschewing electoral politics after retirement. Even so, many military veterans perceive a moral barrier between themselves and active politics. From the day they don the uniform, military personnel are taught to be proudly apolitical — a vital instrument of the state, not of one or another government, and certainly not of any political party. In officers' messes, two subjects were taboo for discussion: Ladies and politics. These time-tested traditions are the military's institutional safeguards to keep it out of the political arena. A clear distance is considered to be essential between soldiers and political activity.

That conviction has driven some 500 well-respected senior veterans, including former service chiefs, to petition the President, expressing their disquiet over "the unusual and completely unacceptable practice of political leaders taking credit for military operations like cross-border strikes, and even going so far as to claim the Armed Forces to be 'Modi ji ki sena'. This is in addition to media pictures of election platforms and campaigns in which party workers are seen wearing military uni-

forms..." The petition asks the President "to ensure that the secular and apolitical character of our Armed Forces is preserved."

This is not to suggest that national security and defence should be off-limits for discussion in an election campaign. Quite the contrary, since the defence of the realm is the first duty of any government. Every party should and must present a detailed defence manifesto and face interrogation about how they propose to build India's military sinews while diverting as little money as possible from other pressing needs like education and healthcare. In reality, this vitally important debate over a responsibility that consumes some 16 per cent of government expenditure has been crowded out by chest thumping and braggadocio and vulgar threats to potential adversaries that apparently amuse a large section of the voters but do little to deter potential enemies. This is a role that ex-servicemen could usefully play a part in — such as



BROADSWORD

AJAI SHUKLA

Lieutenant General DS Hooda's preparation of a National Security Strategy that has informed the Congress Party's defence manifesto. Unlike the generals who joined the BJP in a blaze of publicity and now find themselves sidelined, Hooda has declined to join any party, content to share his experience and expertise for the national interest. Within the military, everyone understands the ongoing political gamesmanship in beguiling voters with the rubric of "teaching Pakistan a lesson". For a military that has, over the decades and under successive political dispensations, been degraded, starved of resources and devalued in relative precedence, there is heady gratification in suddenly occupying the limelight, being lauded by the political elite and deified by the cheering throng. But when the lights dim and the applause fades, soldiers, sailors and airmen can hardly miss the depressing realisation that they are no better off than before. The many promises of bigger budgets, faster modernisation, state-of-the-art weaponry and respect from the ministry or the civil officials who rule their lives turn out to be hot air. As would be vouchsafed by thousands of disabled veterans who are spending their retirement fighting in court for their elusive benefits, it is the government and the defence ministry that stands in their way.

Starry-eyed former generals dreaming of political careers would do well to recognise that political parties have actually fielded only a handful of veterans in elections over the last two decades. Walter C Ladwig III, an India specialist at King's College, London, has compared the percentage of veterans in the Lok Sabha with those in the UK Parliament and in the US Congress over the years. In the 1970s, 70 per cent of American Congresspersons were veterans, mainly due to conscription during the Vietnam War. After the draft was ended, this

SELF-DECLARED VETERAN CANDIDATES FOR LOK SABHA

Year	BJP	Congress	Others	Total
1999	2	4	10	16
2004	1	3	6	10
2009	1	Nil	6	7
2014	2	1	13	16

* Source: Election Commission figures. These are under-reported since some candidates, like General VK Singh, did not use their rank

MILITARY VETERANS IN LEGISLATIVE BODIES

	(in %)
US Congress (in 1970s)	70
US Congress (in 1990s)	50
US Congress (current)	19
UK Parliament (current)	8
Members with professional background* (First to 14th Lok Sabha)**	2-4

Figures compiled by Dr Walter C Ladwig III, King's College, London
*Includes military, police and civilians
**The Indian Parliament: A Democracy at Work, by Rodrigues & Shankar

dropped to 50 per cent in the 1990s. Today, long after the era of compulsory service, 19 per cent of US congresspersons are military veterans. In the UK, that figure currently hovers around 8 per cent. In India, from the first to the 14th Parliaments, just 2 to 4 per cent of the elected members had a "professional background", which includes policemen, military veterans and civilian professionals like doctors and engineers.

This is unlikely to change anytime soon. Election Commission data indicates that 16 veterans were given party tickets in the 1999 general election, a figure that dropped to 10 in 2004, seven in 2009, before rising again to 16 in 2014. The numbers could be marginally higher, since Ladwig has identified veterans through military ranks affixed with members' names. Those who left out their ranks, such as General VK Singh, have not been counted.

For many veterans who have served an apolitical ideal of the state, the key question today remains: Is the military being affronted; and how much concern should that arouse? It must be remembered that militaries the world over are conservative organisations and, therefore, tend to align themselves with parties like the BJP that propagate conservative social and political values. What is of deep concern though, is the aggressive deification of the soldier evident today, amplified by a jingoistic media. With service chiefs and generals increasingly paraded to endorse government viewpoints, or provide "clean chits" against criticism, there should be worry about the use of the military — and of notions of the "national interest" or majoritarian religious sentiment — to effectively shut down the space for critique or doubt. This device, which is straight from the European fascist playbook, is good neither for society, nor polity, nor the military itself. It is time the generals stepped back.

A Chinese re-adjustment on BRI?

Last week, China hosted the second international forum on the Belt and Road Initiative (BRI) and the Chinese President Xi Jinping concluded it by underscoring his initiative as a global public good, arguing that "while the Belt and Road Initiative was launched by China, its opportunities and outcomes are shared by the world." What was remarkable about this iteration of the forum was the humility in Xi's remarks compared to the almost hubristic nature of the first form in 2017. Stung by the pushback Chinese projects have received in the last few years, Xi was forced to concede this year that China would introduce well-recognised rules and standards in its Belt and Road projects to ensure they are of high-standard, beneficial to people and sustainable. He made it clear that "we will make sure that corporates follow international rules and standards during construction, operation, merchandise and tender and respect laws and regulations in different countries."

The BRI Forum was well attended for sure, with 36 heads of state or government in attendance. Through it China has managed to expand its outreach to major parts of the world such as Africa and Europe. In March, Italy became the first member of the G-7 to join BRI followed by Luxembourg and Switzerland. China managed to bring in Eastern and Central Europe into its orbit by signing major infrastructure deals with the I7+1 group which now includes Greece. China has reached out to the Arab world earlier this month in a major way during the second Arab Forum on Reform and Development under the heading "Build the Belt and Road, Share Development and Prosperity." Last month also saw China and Russia taking first serious steps towards a Polar Silk Road.

For the moment, however, it is Southeast Asia and Central Asia that are at the centre of BRI and that have embraced the project wholeheartedly. Europe too is now more prominent despite growing reservations in the major power centres of the continent. Africa, Latin America and West Asia, despite Chinese attempts are still not as prominent parts of the framework as possibly had been envisioned by Chinese initially. And South Asia is still a far cry given Indian reservations. At last week's summit only Pakistan and Nepal were represented by their heads of governments.



HARSH V PANT

While the Chinese President made a big deal about the fact that more than \$64 billion worth of deals were signed during second BRI Forum last week, he was forced to contend with the fact that since BRI's inception in 2013, the project has been dogged by controversies. Raising "concerns about opaque financing practices, poor governance and disregard for internationally accepted norms and standards" in BRI projects, the United States, despite participating in the first forum two years ago, pointedly refused to send any high-level official to this summit. The unilateral manner in which the project was conceived and conceptualised has been drawing criticism from around the world with suggestions that it is merely a strategy of trying to cement Chinese influence around the world by making nations financially dependent on Beijing by way of "debt trap diplomacy". The normative order which

Beijing is trying to push via BRI remains extremely problematic with questions about the financial and environmental sustainability of the projects becoming ever more central to the debate. States from around the world have pushed back strongly and China has been forced to recalibrate. And other major powers too have proposed their own infrastructure initiatives.

It is equally true that China has forced the world to take note of the major infrastructure deficit that has been plaguing the global economic order and forced the developed world to recognise its own limitations in offering a global economic vision. If there are concerns about the Chinese model today, then it opens up opportunities for other major powers including India to fill that vacuum by offering credible and sustainable options. And New Delhi has been taking some steps in that direction. The demand for connectivity and infrastructure is quite high and no single power is in a position to meet that. It would require a global effort. Beijing may not want it but a multilateral approach is the only way out.

During the BRI Forum last week, the Chinese President tried his best to underscore China's good intentions and commitment to transparency and building "high-quality, sustainable, risk-resistant, reasonably-priced, and inclusive infrastructure." He seems to have understood that his initial top-down approach has backfired, and he wants to make amends. The question remains: How far will the rest of the world go in accommodating Chinese ambitions?

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Just a civil servant



BOOK REVIEW

JYOTI MUKUL

If only former bureaucrats could forget they were civil servants and drop their inhibitions when they pick up the pen. In his book *Not Just a Civil Servant*, Anil Swarup narrates a host of stories surrounding his assignments, some of them linked to historic moments in contemporary Indian politics, such as the demolition of the Babri Masjid. But true to his civil service instincts, he does not jettison diplomacy or discard the bureaucratic veil to call a spade a spade, at least, if not a shovel.

For instance, in recounting on the destruction of a religious structure that altered the trajectory of Indian politics in fundamental ways, Mr Swarup was in a position to offer some insights into the events leading up to that fateful day on December 6, 1992. As an aide to then Uttar Pradesh Chief Minister Kalyan Singh he was at Ground Zero, as it were. Instead, his three-page account of the events mostly focused on defending Mr Singh's record, despite evidence to the contrary. Praising Mr Singh for his honesty and "no-nonsense" approach, Mr Swarup writes: "Kalyan Singh was crestfallen and livid. Along with the Babri structure, his dreams of re-building Uttar Pradesh came crashing down." His evidence for this statement are two phone calls, one to the Rajasthan Chief Minister and another to L K Advani, for which he (Mr Swarup) is the only witness.

This is not to say that Mr Swarup's

memoir lacks potential. The former secretary of coal and, later, school education, recounts some interesting episodes in his early career, such as a victory in a game of cards that got him promoted to sub-divisional magistrate. In his 38-year career, Mr Swarup held many assignments, some of them, especially in his cadre state of Uttar Pradesh, cannot be described as pleasant. He suffers the classic problem of the upright bureaucrat. During his tenure in Pradeshya Industrial & Investment Corporation of Uttar Pradesh (better known as PICUP), for instance, he unearthed a journalist-bureaucrat-politician nexus and was transferred for his pains. He, nevertheless, manages to steer clear of too much controversy and move on.

From Mr Swarup's account and considering that he chose to devote more than 50 pages to his stint as the directorate general of labour welfare, the ex-

clusion of the Rashtriya Swasthya Bima Yojana, a health insurance scheme, remains close to his heart and he clearly considers it one of his most rewarding experiences.

Equally fulfilling, it is evident, was his tenure at the Project Monitoring Group (PMG) set up under the United Progressive Alliance government. There, his complaints to then Prime Minister Manmohan Singh and Oscar Fernandes about a "tax" (bribe) being levied in the environment ministry yielded results, with the minister concerned being transferred. This helped unlog approvals for a host of projects. Here, too, he plays safe and does not name the minister, although a simple Google search can yield the name for the curious reader.

After PMG comes his stint as secretary in the ministry of coal under the National Democratic Alliance government. Although coal mine auctions were a landmark achievement during his tenure there, he is critical of Vinod Rai, then Comptroller and Auditor General (CAG), whose report caused the cancellation of all captive coal mine

allocations. Mr Swarup is critical of Mr Rai not just for the report but also the way it was publicised. "The CAG, it appeared was on a fault-finding mission...The job of any civil servant, more so of the CAG, is to do his job quietly and not go to town," he writes. In fact, in a rare departure from his habitual diplomacy, Mr Swarup ascribes the CAG's critical report to his attempts at becoming famous.

Mr Swarup is, however, silent on his exit from the coal ministry, which surprised many. To be sure, the transfer was part of a massive exercise that saw more than a dozen secretaries being moved or appointed. All he says is that the shift was "a bliss" (sic). This is where an honest account of what led to the change and who wanted him out of the coal ministry could have added heft to his memoir.

The book, in fact, does not go beyond sermons and anecdotes, with few insights into what really went on behind the scenes. Bureaucrats, after all, move in the corridors of power by virtue of their jobs and, therefore, have unique access to the inner workings of

governments. Mr Swarup does not seem inclined to convert this access into anything more than a self-centred book — the pronoun "I" predominates — and bureaucratic disdain.

The last chapter in Mr Swarup's book deals with what he would like to be if he were born again. It isn't surprising that he would want to be a civil servant again. It is true that civil servants can make a lot of difference to the lives of people they deal with and Mr Swarup seems to have done that successfully in his various roles. But in a society in which the bureaucracy, especially officers of the Indian Administrative Service, exercise considerable power and claim a monopoly on wisdom, where the white *sahibs* have been replaced by brown ones and where the common man is of little consequence, Mr Swarup's wish is easy to understand.

NOT JUST A CIVIL SERVANT

Anil Swarup
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