

BJP: An incomplete party



MARGINAL UTILITY
TCA SRINIVASA RAGHAVAN

One of the biggest problems that the BJP has is the absence of economic thinkers, as distinct from mere economists. One consequence of this is that we have no idea of what its conception of wealth and value is, as distinct from mere money. Nor does it seem to have a sense of how wealth and value are created in modern society.

There are two reasons why this is important. The first is that the BJP has emerged as the flag bearer of a transformative majoritarian social philosophy for India. This philosophy, though narrow in conception and socially disruptive in its consequences, is likely to dominate the political landscape for the next few decades.

The second reason is that if you have a narrow view of wealth, viewing it as mere money, you tend to treat it as something to be milked, not nurtured. Ms Sitharaman's first Budget stands testimony to this. So have all Budgets since 1957.

That is, the Congress had exactly the same approach. But in its case at least we knew how its brain had been wired, first by the Harold Laski types and then, after two decades, in purely politically inspired mutation, by Indira Gandhi. There is no equivalent of a pro-wealth Laski for the BJP — and that is why it is persisting with the mutated version that Indira Gandhi imposed on us in 1970.

This is why the BJP needs to solve the following problem: Can you change the social philosophy governing the politics of a country and leave its economic philosophy untouched and indistinguishable from the old-fashioned Gandhian socialism of the 1970s?

Neither value nor wealth

As the politically dominant force, the BJP hasn't even begun to think systematically about the problem. I had hoped that Bibek Debroy, who has the intellectual wherewithal, would become its lead thinker. But he has fallen strangely silent. In any case, he is not a party man.

Nor has Rajiv Kumar, who now heads NITI Aayog with its massive convening power, shown any inclination in this direction. But NITI doesn't mean merely policy; it also means structured thought.

This inability to think appropriately about value and wealth has been the source of every one of our economic follies since independence. This is because the Congress thought of wealth as a social evil.

Many economists who served it, however, had the opposite view. I had the good fortune to learn economic policy from some of them. But they were unable to counter what the Germans call the *zeitgeist* (the spirit of the times).

After 1970, when the Congress turned a deeper shade of pink, they all fell by the wayside. Then the intellectual charlatans, fellow-travellers and groupies took over.

One such groupie even became prime minister. As finance minister earlier, he did his best to change things. But when he became prime minister he stopped trying.

So when Mr Narendra Modi constantly talks about the Congress legacy, he forgets that this is the most important part of it, namely, the way a political party thinks about the only thing that matters: wealth and how it is created.

That is why young Krishnamurthy Subramaniam can wax eloquent about behavioural economics and nudge theory. But he is targeting the wrong group. It is the BJP he needs to nudge because it is the most in need of nudging right now.

An incomplete party

It is no coincidence that the Europeans grew so rich and ruled the world for 500 years. They devoted a lot of thought to the question of wealth and value and how they are created.

Above all, they knew that wealth — even if the manner in which it is created changes — must be preserved, not destroyed. In India, after 1947, we have done the opposite.

It was the physicrocrats who started the ball rolling and since then there have been various theories. Bar the Communists, not one of these theories has come anywhere near our political parties, who have not tried to develop their own theories either.

As a result, they remain struck on religion and caste. And there lies the paradox: In order to win elections, they have to promise wealth. But when they come to power the fools destroy it. Hence my question to them: How do you deliver wealth when you don't have the slightest idea about it?

The BJP has surmounted many political and social problems but until it surmounts this particular intellectual problem, it is, I am afraid, going to remain incomplete.

The legacy of Indira Gandhi

In his book, former president Pranab Mukherjee says Ms Gandhi blamed no one but herself for the Emergency and suspension of Fundamental Rights



PLAIN POLITICS
ADITI PHADNIS

India's sixth general election was held between March 16 and 20, 1977. According to the late R K Dhawan, he was the one who broke the news to Indira Gandhi that she — and the Congress party — had lost the 1977 election.

She was then having dinner. According to Dhawan, with a look of relief on her face, she said, "now I will have time for myself and the family".

In the early morning hours after the election results had come out, she instructed the President to officially end the Emergency. She then resigned. For the first time in her life, she had no job, no income, no home.

On October 3, 1977, in a carefully orchestrated

movement, the Central Bureau of Investigation (CBI) came to her residence to arrest her. It was 4.45 pm. The Attorney General and the Solicitor General were unaware the government had plans for the arrest. *India Today* magazine's account of the event is riveting. Prime Minister Morarji Desai gave the green signal to Home Minister Chaudhary Charan Singh, adding only one caveat: On no account was she to be handcuffed. The CBI walked up to the door of 12 Willingdon Crescent. They told Gandhi's aide that they had been ordered to take Indira Gandhi into custody and cited the various IPC laws (mostly relating to corruption) that she had violated. Little did they know that the FIR, drafted by the Home Ministry, was the wrong one. They were kept waiting for nearly two hours, time that Maneka and Sanjay Gandhi used to telephone all the foreign media available in Delhi.

At 6.00 pm Indira Gandhi came out. Her lawyer Frank Anthony demanded a copy of the FIR. He was told it was not necessary to provide him with one as the charges related to corruption, they were bailable offence and Indira Gandhi had been informed of them. Then Mrs Gandhi said: "where are the handcuffs? I will not go unless I am handcuffed". The argument about handcuffs went on for nearly one hour.

Sanjay and Rajiv walked in and out of the house (the magazine noted that for some inexplicable reason, Rajiv had a set of pliers and a wrench in his hand the entire time the arrest drama was on). In the meantime, party cadres had gathered outside the house, chanting and slogan-shouting was on. Top party leaders including Brahmananda Reddy (who had already begun a campaign about a personality cult that would later bloom as a full fledged Congress split), Kamalapati Tripathi, Mohsina Kidwai and others watched ashen-faced. Indira Gandhi finally got into a car and left, followed by Rajiv and Sanjay Gandhi in their cars.

Charan Singh's fears about the wrong FIR proved well-founded. When she was produced before the court the next morning, she was unconditionally released immediately, as there was no substance in the charges against her. Later, the same day, Indira Gandhi went to a wedding: Beautician Shahnaz Husain's daughter was getting married at the Ashok Hotel, and Gandhi had been invited but someone had called from Willingdon Crescent to let Husain know Gandhi had been arrested. Husain couldn't believe her eyes when she saw Gandhi walk into the hall, clad in a maroon silk sari with a gold border. She stayed two hours.

Ultimately, the Janata Party government had

LUNCH WITH BS ► DEREK O'BRIEN | RAJYA SABHA MP | TRINAMOOL CONGRESS

Some searching questions

The former celebrated quiz show host tells Rahul Jacob and Archis Mohan he worries that social media and media proprietors are bending to the ruling party's will

Saravana Bhawan on Saturday morning 9.15 am is a lone hive of activity in the usually frenetic Connaught Place in central Delhi. The McDonald's next door is devoid of customers. Saravana suffers from the opposite problem: queues outside its doors on a Saturday are par for the course. Knowing this, we are, literally and metaphorically, at a sprint as we coordinate our scramble for a table at the south Indian restaurant.

It is a few minutes before Derek O'Brien, Rajya Sabha MP for Trinamool Congress, arrives. As a setting for an interview, Saravana is a less than ideal choice. It teems with noisy families, celebrating Saturday as if it might be an annual holiday. The one quiet area is inexplicably cordoned off with ropes. Viewed from the perspective of a native Calcuttan — and O'Brien is the very definition of one from his witty, argumentative style to reading the Bengali press before he turns to the *Indian Express* and *Business Standard* — his selection of Saravana makes complete sense. Its idlis are delicious, the crowds flock there; for a Calcuttan, that is all that matters.

The place turns out to be O'Brien's regular Saturday morning ritual when he is in Delhi. Almost without preamble, he begins by reminiscing about helping input and proof his first quiz book more than three decades ago in the small data-type-setting office Rahul's father set up. O'Brien hasn't really met Rahul since the 1980s when Rahul was a spectator at the exciting quiz contests his father Neil, a nominated Anglo-Indian member of Parliament, was known for running as quizmaster. Archis knows Derek well as a member of the Rajya Sabha. O'Brien lets slip that he has long read *Business Standard* with a pen in hand to mark articles. His and his party's views run counter to the generally pro free market editorials of this paper, however. Putting his TMC hat on, he squarely opposes privatising Air India, for instance,

and improbably suggests Jet Airways' problems could have been solved by merging the two. "Selling Air India is not going to solve its problems. We have to find another solution," he says. He won't be drawn on specifics.

O'Brien is much more pointed in his critique of the Bharatiya Janata Party's (BJP) self-serving rush to discuss one nation, one poll while not bothering to address many problems that came to the fore in the 2019 election. Among them is the need for laws on campaign financing; a report this week showed that the BJP raised about 90 per cent of total corporate donations. He also criticises the wide-spread use of fake news on social media as well as the ruling party circumventing Parliament by repeatedly using Ordinances in its first term.

In the ongoing Parliament session, O'Brien has tried to fill the breach left by the near demise of the Left parties and the ongoing crisis in the Congress. The huge inroads the BJP made in the recent parliamentary elections in West Bengal and Chief Minister Mamata Banerjee's ill-tempered responses to the doctors' strike and BJP supporters goading her with cries of *Jai Sri Ram* suggest the TMC has problems of its own. But, in New Delhi, the party is measuring up as the de facto opposition to the BJP, in contrast to the Congress, which is preoccupied with its own Bollywood remake of Hamlet — without Hamlet. Rahul Gandhi's perennial existential crisis has become Congress' as well. In recent weeks, O'Brien and parliamentary debutante Mahua Moitra have been punching well above the party's numbers.

Despite the Congress having nearly four times as many members in the Rajya Sabha as the TMC (48 to 13), O'Brien has been informally leading the coordination of Opposition parties, rallying other parties to demand a discussion on electoral reforms and to protest the government's disinvestment plans. This week, O'Brien held a press con-

ference to discuss data on electoral funding released by election watchdog Association for Democratic Reforms. The report showed that in 2016-17 and 2017-18, the BJP received ₹969 crore in corporate donations, dwarfing the ₹60 crore the Congress received and the ₹2 crore the TMC received. Money is a predictor of election success, O'Brien tells us, pointing to a US study that showed those who outspent their opponents in elections for the Congress and the Senate almost always win. When the media largely ignored the news, he tweeted: "The 'national' newspapers/TV based out of Delhi urgently need spine implant surgery. Media owners, shame on you." This is a theme O'Brien returns to repeatedly over breakfast, which he more than does justice to by eating six large idlis. He briefly turns emotional: "I appeal to all media owners: You are running institutions of national heritage. You are part owners of our democracy."

Mostly, we receive a polished debunking of the BJP's record, seasoned with an ex-adman's flair for one-liners. Beti Bachao, Beti Padhao is dismissed as a "scam scheme" with more than half of its budget being spent on advertising. He says ₹650 crore has been spent on it across India and contrasts this with the ₹7,000 crore spent on Bengal's Kanyashree scheme to keep girls in school longer and delay their marriage. The Bengal effort, which has also contributed to a drop in infant and maternal mortality rates, has received a United Nations award. An ex-colleague living in Kolkata cites the scheme as an example of the party's good development work in villages that does not get the attention of the national media. The ex-colleague also criticises the party's use of hoodlums in local politics in a manner that matches the record of the Left Front, which ruled the state with a thuggish fist between 1977 and 2011. O'Brien is soon using the breakfast as a warm-up act for his then



ILLUSTRATION BY BINAY SINHA

to invoke the Parliament's privilege to accomplish its objective of putting her behind bars (in Tihar jail for a week in December, 1978).

Indira Gandhi issued a statement after her arrest. She said: "I have tried to serve our people and our country to the best of my ability. No matter what the charge or charges now made against me, this arrest is a political one. It is to prevent me from going to the people. It is an attempt to discredit me in their eyes and the eyes of the world... We have offered our cooperation to the government in any programme for the welfare of the people. However, we cannot be silent spectators when we see suffering and injustice..."

The day she was taken to Tihar jail (December 19, 1978) two persons claiming to be members of the Youth Congress (I) skyjacked an Indian Airlines plane with 126 passengers and a crew of six while it was on a flight from Lucknow to Delhi, forcing it to land in Varanasi. The hijackers' demand was that Indira Gandhi be released. 18,000 Congress workers were arrested in demonstrations all over India that day. Little wonder then, that when Sonia Gandhi was asked to be personally present in court in the case relating to the National Herald, she said, "I am the daughter-in-law of Indira Gandhi. I am not scared of anyone."

In his book, former President Pranab Mukherjee says bureaucrats appearing before the Shah Commission blamed Indira Gandhi for the Emergency and the suspension of Fundamental Rights. At the meeting of the Congress Working Committee that followed, her colleagues put the onus of losing the 1977 election on her.

Indira Gandhi blamed no one but herself.

edly: "You gave us an advisory about the doctors' strike, but where is the advisory for Bihar when 150 children die of encephalitis?"

In an "unequal election", Facebook, he alleges, provided an "unequal playground" stacked in favour of the BJP. In a response to reports of favouritism towards the ruling party, Facebook said on Newsclick: "An important part of our mission is equipping elected officials... with the tools needed to connect and engage with their communities."

O'Brien resorts to banal clichés when questioned about Banerjee's intemperate handling of the doctors' strike in Bengal last month. After an uncharacteristic silence, he responds with "all's well that ends well". It is an odd thing to say about a strike sparked by the attack on a young doctor who was in coma for a few days. This hangs in the air between us like baffling non-sense till O'Brien regains his stride and emphasises the government's increase in funding for medical care and in seats at medical colleges over the years it has been in power. Then he recites the 10 parameters on which Bengal leads the country, ranging from e-tendering to skills development to a programme for farmers. He scribbles on the Saravana paper placemats a list of links he intends to send us.

We part ways in Kolkata style, which is to say, in long-drawn out fashion. A rugby scrum of a queue is waiting to get in. O'Brien threads his way past it and is still talking as child peddlers of pens mob him to force him to buy one. A gauntlet of shoe-shine men who claim they have been waiting for us to finish breakfast are next. O'Brien is deep in conversation with Archis as he gets into his car. His parting shot is full of confidence: "Trinamool is match-on for 2021 (when it faces state elections in Bengal)." On the evidence of the party's marshalling of an otherwise rudderless Opposition in the past few weeks, this is more than bravado.

The story of a 'part-time' grad



PEOPLE LIKE THEM
GEETANJALI KRISHNA

In the last few months, I've spent a bit of time in rural UP and have been struck by the number of young graduates I've met. Most of them have studied locally. Some plan to get a post-graduate degree as well. On the face of it, it seems promising. But the ground reality is, more often than not, different. A conversation I had with a taxi driver while driving from Kanpur to Banda last week illustrates why.

He offered me a *laddu* when I got in the car at Kanpur airport. "I just got my college exam results," he explained. "I now have a BSc degree in physics, and that is something to celebrate, isn't it?"

It must have been a tough course, I commented. His response was surprising. "I don't really know," he said. During the three-year course at Chhatrapati Shahu Ji Maharaj University, Kanpur, he said he'd attended barely a month every year. "I work as a driver in Lucknow," he explained, "and don't have time for class." A month before exams, he'd come to Kanpur, attend a few classes and study enough to scrape through the exams.

Local colleges in UP, he said, had lax attendance requirements, making it easy for students like him to get their degrees while doing, what he called, "better things". He, for instance, had earned ₹8,000-10,000 per month as a driver all through his "student" life. He couldn't have had much driving experience at the beginning of college when he'd have been barely eligible for a driving licence, I pointed out. "This is UP, madam *ji*," he laughed. "I'd been driving for years before I got my licence." There were very few students, he said, who actually attended class. "Most of them got by doing exactly what I've done," he said. "In fact, this has worked out so well that I plan to enroll for MSc as well."

The conversation raised many questions in my mind. Why was it so easy for students to get a college degree? If

students got away without attending class (or somehow subverting attendance rules) and somehow passing their examinations after a cursory 30 days of study (if at all), what was their degree worth? I asked the driver to explain why he wanted to collect all these degrees if he didn't really experience student life or learn anything. Surely he must have an interest in physics if he was planning to do MSc in the subject? His response made me realise that it was naive to assume a correlation between obtaining an education and getting a degree. "I don't really understand physics much," he said. "I just opted for the subject as there were seats available in it," he said.

A degree, he said, was the only way people like him could get ahead at a time when jobs were hard to find. His father was a farmer, while many of his friends came from weaver families. Few wanted to take up the family trade. He was lucky, he said, to have landed this driving job. Which is why his plan was to keep working in Lucknow while completing his MSc in physics in Kanpur. "Meanwhile, I'll apply for every government position that falls vacant," he said. "And of course, if nothing else comes up, I'll just become a teacher".

We're glad the week is over



PEOPLE LIKE US
KISHORE SINGH

My wife's birthday coincided with the World Cup semi-finals between India and New Zealand, and like the match that never-was, it didn't go well. She rang up her friends to ask them over, but the invitations were declined by their spouses who wanted to watch the cricket match in the comfort of their own homes. That laugh was on them at any rate because the rain washed out the match, so all they could do was watch old re-runs while eating whatever they could lay their hands on in their kitchen when they might have had party food.

Those who did agree to come were

the has-beens, low down the pecking order, whose names are forever being removed from the guest list. The result was a mixed bunch with too little in common, the kind that send 'thank you' texts the following day, implying they would like to be invited again, which was the reason my wife and I had been in a state of sulky non-communication in the first place. My wife makes one list of people we would like to invite home, but refers to another completely different one when she gets down to making the calls. She does the same thing with the menu, so we agree on one bill of fare, she gives the staff quite another list, and shops for ingredients for something else altogether. I won't go so far as to say our parties are a matter of hit and miss, but they are always a surprise—sometimes even for her.

These days she tells me to keep my nose out of all such affairs. "I have had 1,783 parties at home," she told me the last time I suggested tweaking the menu a bit to make allowance for diners with less adventurous palates. I pointed out that experience does not parallel wisdom, else she would not have chilled bottles of water thinking they were bottles of wine. What I should have done instead is remind

myself that speaking the inviolable truth can be injurious to one's health.

For two days before the party my wife did not speak to me at all (which is a mixed blessing), and for two days thereafter she has not ceased speaking at all (which is a form of torture). On the day of the party she insisted on my picking out her clothes, then chose to wear something else altogether. She asked me to select a pair of heels — so she could reject it. We repeated this with picks for her purse, jewellery and wristwatch, so by the time the guests began to arrive, my morale was at an all-time low. I spent the evening lurking behind the bar and the only person who did not endorse my services as a bartender was my wife.

So, the party. As mixed a bunch of people as should never be together. Ditto main course dishes that failed to communicate with each other. Eleven spilled drinks. Five cakes. Gravy dripped on her favourite dining table cloth (the perpetrator hasn't been identified). Seven soiled napkins (in my wife's universe, napkins are not meant to be used *ever*). Too many guests who ate and left too quickly after. Too much leftover. The cricket match the following evening didn't go well either. We're both glad the week is over.

WEEKEND RUMINATIONS

T N NINAN

Not second-class

There was a time during the prohibition era in Bombay (as it then was) when only foreigners were allowed to drink in hotel bars. A humour columnist wrote then about his fictional wife walking into the bar of an expensive hotel and ordering a drink. On being told that only foreigners would be served, she asked the unanswerable question: “Whose country is this anyway?”

That should be our question, too, every time someone writes or says that we must offer foreigners reasonable tax rates, or good business processes, or special investment windows, or investment enclaves, lest they take their dollars elsewhere. The usual arguments run like this: The new high income tax rates will make it more difficult to hire expatriates. Or, foreign portfolio investors will turn away from the Indian market. Or, we must clean up and beautify our tourist spots, to attract more international tourists. The obvious question is, why only foreigners? What about us who live and work here and pay our taxes? Don't we deserve better tax and other rules, and cleaner towns and cities in which to live and work? Or is the Indian citizen to be treated differently because s/he is a captive, without means of escape?

Well, India is no longer the economic prison that it used to be, when all that you could take out of the country was eight dollars. Later, under a liberalised foreign travel scheme, you could take out a generous \$100. We weren't as bad as the old Soviet Union, which ran the Beryozka supermarket, where only western tourists could shop (predictably, the Soviet elite, too, found a way to shop there). Or China, where for years foreigners could deal only in specially issued Foreign Exchange Certificates. But it was bad enough.

Most closed systems have opened up, including India's. No government in its right mind today would try imposing such rules, and, if it did, it wouldn't work. Not that it worked earlier. All that Indian money in Swiss banks and other tax havens didn't materialise out of thin air. Smuggling was rampant at the time, and the *hawala* trade flourished. Some of the money round-tripped back as investment from overseas. There was a period when Indians also started coming back. It helped that the domestic environment improved: New private hospitals and schools responded to the demand for better health and education services. Cars, phone connections, and air services, all got better.

And yet, recent years have seen wealthy and professionally successful Indians voting with their feet, or air tickets. One plausible figure has it that 150,000 top-strata Indians have emigrated in recent years to Dubai, Singapore, and western shores. They were initially running away from tax terrorism, a term born out of Pranab Mukherjee's 2012 Budget. Then came new rules about the place of effective business, which induced many to change their residential status. Others have followed because of the worsening air pollution in cities, the impossibilities of school admission, and now the lack of water.

It is easier to leave than before. Millions of Indians have acquired international degrees, or high-quality Indian ones, that make them globally saleable. The many millions of non-residents in the US, West Asia, and elsewhere translate into kinships that facilitate emigration. Countries like Australia target Indians as desirable immigrants, partly to neutralise the effect of a Chinese influx. In short, relatively large numbers from the class of Indians vital to taking the economy forward can leave, and have been doing so.

So we need to treat citizens like they have a choice, even if most of them don't. If foreigners need reasonable taxes, why offer citizens something else? If foreign businessmen look for assurance on the rule of law, so do citizens (including, or especially, the government's critics). “Ease of Living” is a great concept — offering, for instance, automated protection from the tax official's grasping fingers. But let's not offer special treatment to help foreigners escape the rigours of our rules and laws. That is what closed and oppressive systems do. Let's do things for all, including citizens, as an open democracy should.

Our ‘joota hai Japani’ defence

The past 20 years, under three PMs, have shown us the defence Budget is not about to go higher than its ballpark of 1.5 per cent of GDP, besides pensions. Can it buy us real defence and not mere *jugaad*?

Three things have triggered this week's thought process.

- The wide dismay in the strategic community over the stationary defence Budget;
- The statement by renowned American strategic scholar Christine Fair to *ThePrint*'s Srijan Shukla that the Lashkar-e-Taiba isn't another terror organisation but a low-cost special operations unit of the Pakistani army for waging asymmetric warfare India can't match. And that India can't defeat Pakistan in a short war;
- The interesting findings in the book authored by the late Air Commodore Jasjit Singh, talking about how the Indian Air Force (IAF) gave Israeli engineers access to its old French Mirages so they could be modified to carry the Russian R-73 air-to-air missiles. This is when their original missile, Matra-530D, had become obsolete.

It is finally the thought of Israeli experts fitting Russian missiles on French Mirages owned by the IAF that brought back the late lyricist Shailendra's immortal lines from Raj Kapoor's classic, *Shree 420: Mera joota hai Japani, yeh patloon Inglistani/sir pe laal tope Russiani, Phir bhi dil hai Hindustani* (my shoes are Japanese, trousers British-made/my cap may be Russian, but my heart is still Indian). These lines were heady for a new republic in 1955. Must these continue to describe the state of its armed forces, 65 years later?

Let's examine the budget versus GDP issue first. This year's Budget, ₹4.31 trillion, including pensions, is almost exactly 2 per cent of GDP. If you exclude pensions, it will be ₹3.18 trillion, or about 1.5 per cent of GDP.

Two good questions arise: Can India defend itself with so little? And can India afford a defence allocation much higher than this? The immediate response is, no to the first, yes to the second. Confession: I might also have said so until some time ago. But I was wrong.

In the strategic debate, the distinction between GDP and the national Budget isn't always made. Only the Budget belongs to the government, not GDP. The more apt way of looking at defence spending, therefore, is as a percentage of the national Budget.

Today, at 15.5 per cent, it is the largest item in the Budget after debt repayments, at about 23 per cent. This is more than what we spend on agriculture, rural development, education, and health put together (15.1per cent). Another half a per cent of GDP, or 3.5 per cent of the Budget, is spent on central paramilitary forces. From where will any finance minister shift more to defence?

Our data journalist Abhishek Mishra has mined the defence Budget trends for me since 1986,

when it reached its peak of 4 per cent of GDP in the years of Rajiv Gandhi's heady military expansion — when, incidentally, today's Mirages started arriving. Budgets have since risen on a consistent, stable and conservative basis and averaged 2.82 per cent of GDP (World Bank figures). With the 1991 reforms, GDP growth picked up.

In the past 20 years, from Kargil onwards, the average budgetary increase has been 8.91 per cent per year. You can shout, scream, complain, but it is now evident that no government is going to be so fiscally irresponsible or politically foolhardy to massively increase defence spending by either printing more money, or taking away from the little that goes to the poor as subsidies (6.6 per cent of the Budget) or agriculture, health, education, rural development etc.

Expectations that a more muscular Narendra Modi government would do something dramatic were misplaced and unfair. Mr Modi is nobody's fool or a reckless militarist. A robust strategic posture does not mean he was about to convert India into a national security state like Pakistan, bankrupt it and keep rushing to the IMF.

The Indian strategic debate, therefore, has to reposition itself at this new realistic level. This is about what is affordable. The growth would only keep pace with GDP. So, if GDP is \$5 trillion in 2024, defence spending will be about 2 per cent of that. The debate, therefore, has to be about how much defence and what kind of defence can this money buy India.

At current force levels, India is much too strong for Pakistan in a longer (two weeks plus) war. But that is unlikely today. Remember, even our last two wars were merely 22 (1965) and 13 (1971) days. But, Christine Fair is also right to say that today India can't defeat Pakistan in a short war. The question we need to ask, in fact, is more provocative: Does India have the superiority in critical areas to deliver a deterrent punishment to Pakistan for its asymmetrical mischief (as in Pulwama) with greater certainty and evidence of outcome and minimal risk to Indian lives (unlike Balakot)?

Balakot and the skirmish the day after showed we do not have that edge at this point.

Of course, in a longer or more extensive engagement the IAF's numbers and skills would have prevailed more decisively. But why should a country with one-seventh of your defence Budget and a mere 3 per cent of your foreign exchange reserves be able to outrange, outgun and even outnumber you at a moment of its choosing? Are we brings back the same tricky question: Which

spending our defence rupees right?

India has two primary strategic needs: A defensive hedge against China, which makes its costs for any territorial push prohibitive, and a punitive deterrent to deny Pakistan the space for asymmetric mischief without fear of punishment.

A two-front war is not an impossibility but so very unlikely. China's stakes in the world are very different, India is perfectly capable of fighting in self-defence and between three nuclear powers, one thing you can presume is no one would lose a full-scale war without taking the other down with it. This is where a second breath of realism is needed: Stop psyching yourselves with the spectre of a two-front war. Don't paint the devil on the wall. Focus on what is clear, present, and realistic.

At this point, neither the Army or the IAF has that immediate, punitive deterrent power against Pakistan. Forget a three-week war; on the LoC, where the action is, Pakistan has until now fielded better infantry weapons, body armour, sniper rifles, and matching artillery. The qualitative air power mismatch and our complacency, especially under 10 UPA years that allowed it to build, was highlighted on February 26-27. The only service with a decisive and pulverising superiority over Pakistan today is the Navy. But using the Navy punitively raises the escalatory ladder, and creates a mess in waterways sensitive for the rest of the world.

Of the ₹4.31 trillion defence spending, the largest head is pensions, at ₹1.12 trillion, followed

by salaries of the three forces (excluding civilians and the DRDO) at ₹1.08468 trillion. Another ₹1 trillion plus is spent on other fixed costs, maintenance and consumables. What is left as capital Budget is a couple of hundred crores, even less than salaries. This is why each of the forces is scratching around to pay to modernise this or that, and making do with *jugaad*: A platform from here, a missile from there, radar from somewhere else. Of course, as we always know, it is the man behind the machine that matters. Because, ... “*phir bhi dil hai Hindustani*”.

An aspiring superpower deserves better. If it can't spend more, it has to spend better. You must not reduce salaries and pensions. Your soldiers deserve even more. But must you have such large manpower for full-career service? There is need to make the forces smaller, niftier, snappier, and punchier. Think of innovative ideas of shorter service and something Kline American ROTC (Reserve Officers Training Corps). Some progress in that direction is being made as this government is not as wary of change as the UPA. India needs a change of doctrine. And its strategic community should stop re-fighting wars of past.

By Special Arrangement with ThePrint

In China, censors are Hollywood's best friends



ADAM MINTER

The odds were stacked against Spiderman in China. Two weeks ago, the latest film featuring the superhero, *Spiderman: Far From Home*, was slated to open against *The Eight Hundred* a highly anticipated, big-budget war movie. But, in a plot twist that's left local filmmakers reeling, the Chinese film was cancelled just days before its release, allegedly because it'd fallen out of favour with censors. In its absence, *Spiderman* had a nearly \$100 million opening weekend — far beyond expectations. The US blockbuster is currently China's second-most popular draw, one of six foreign films in the top 10.

This isn't the Hollywood ending the Communist Party wanted.

For years, the Chinese government has actively promoted local movies with the goal of surpassing Hollywood's profits and global influence, both at home and abroad. Yet, increasingly, the government's efforts to control content are weakening the industry, to the benefit of US rivals.

China's film industry is one of the country's great growth stories over the last two decades. Between 2005 and 2019, box-office revenue grew from 2 billion yuan to just over 60 billion yuan (\$8.9 billion), thanks to an emerging middle class in search of entertainment. Annual growth rates of more than 30 per cent weren't unusual.

It wasn't just revenues growing, either. The technical proficiency of Chinese films also increased, culminating in *Wolf Warrior 2*, a 2017 military action-adventure drama that became China's most successful movie ever, and *The Wandering Earth*, a sci-fi thriller that's topping this year's box office. Generous subsidies, have boosted Chinese films against foreign competition more generally: In 2018, locally made films claimed 62 per cent of box-office revenue, up from 54 per cent in 2017.

Yet, at the same time, the box-office growth rate slowed to 9 per cent, down from 13.5 per cent in 2017. During the first half of 2019, revenues actually fell by 2.8 per cent despite a slight uptick in the average ticket price — the first such decline since 2011. The gross number of tickets sold declined 10.5 per cent year-on-year.

Several factors have contributed to this dropoff, including a recent tax evasion scandal that netted many Chinese film stars and stalled or killed productions, as well as increased competition from China's booming streaming video services. But the most damaging was summed up by *The Paper*, a state-funded newspaper in Shanghai: “This year audiences could clearly feel that after Chinese New Year, there were no good films to watch, especially among domestic films.”

Why? While censorship has always been a barrier to innovative and risk-taking films in China, adept and determined filmmakers could still find ways to get interesting work approved. That became much harder beginning in March 2018 when the government eliminated the agencies previously assigned to regulate film, television, and publica-

tions, assigning their responsibilities to the powerful Central Propaganda Department. What had been a difficult process mediated by bureaucrats suddenly became a much harder one overseen by Communist Party officials closely tied to China's top policymakers.

The immediate effects were understandably chaotic. Long-time relationships between studios and regulators needed to be reset or established fresh. This slowed down the already byzantine process of approvals. Worse, it injected a new degree of risk — and risk-aversion — into an industry that already had an ample share.

The results are obvious. In February, and again in April, three prominent Chinese films were abruptly withdrawn from festivals in Berlin and Cannes for “technical reasons” — a euphemism for censorship. An even more ominous sign came last month when *The Eight Hundred* was also pulled from its opening slot at the Shanghai International Film Festival for “technical reasons.” Reports on Chinese media suggest officials may have been offended by the idea that soldiers under Chiang Kai-Shek, the Chinese Nationalist rival to Mao

Zedong's Communists, had fought with valour during World War II.

Chinese filmmakers are getting the message. On the sidelines of the festival, China's biggest studios announced slates of films that seemed designed to please the censors. Tencent Pictures, the studio owned by Tencent Holdings, announced an upcoming lineup that Variety described as “a mix of Hollywood content and Chinese propaganda.” China Film Group Corporation, producer of *The Wandering Earth*, announced a similar slate while emphasising its “mission to closely revolve around the Party and the country's promotion of overall cultural work.”

The irony is that regulators know such dutiful movies aren't likely to inspire ticket buyers. Traditionally, in an unwritten blackout designed to boost the fortunes of local productions, the busy summer holiday season in July and August has been reserved for Chinese films only. This summer China has opted to open the gates to foreign films, in an effort to pump up ticket sales. The biggest beneficiary of China's clampdown on content may be Hollywood.

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Suarez reformed?

EYE CULTURE

SUHIT K SEN

The recently concluded Copa America, which was hosted by Brazil, was significant in a number of ways. Upfront, the hosts won the tournament, beating Peru 3-1, after a gap of 12 years. There were other unexpected outcomes.

First, Brazil won the tournament without the services of Paris Saint-Germain (PSG) superstar Neymar, who was not available because he was carrying an injury. This unexpectedly benefited the home side and taught fans and managers a valuable lesson: That the presence of a superstar carrying unnecessary baggage can, in fact, destabilise a team, rather than help take it over the line. The most ardent Neymar fans will acknowledge that alongside his undoubted skills, he carries baggage that neither helps him, nor his team. That is probably the reason why PSG are trying to offload the Brazilian in this transfer season.

Another lesson we learnt is that even the most perfect of players are not perfect. Argentina and Barcelona striker Lionel Messi is not only acknowledged to be one of the greatest attacking players to grace the game of football, but has so far also been idolised as a fair and sporting competitor. But Messi's failure to win trophies with his national team, in sharp distinction to the bags of trophies he has won with his club, has probably embittered him.

His bitterness brimmed over after Argentina's semi-final loss to Brazil in the Copa America. Messi embarked on an extended rant, in the course of which he excoriated the refereeing, alleging systematic bias in favour of the home team. For his pains, Messi faces a ban from participating in the Copa America for up to two years. This may not prove significant given Messi's age and the stage of his career he is in, but it is, nevertheless, disquieting to see the otherwise quiet and imperturbable Messi embark on such a harangue.

But all these wrinkles were overshadowed by a sublime moment of hilarity. It came in the course of a match between Uruguay, the most successful team in Copa history, and Chile on June 24. Uruguay and Barcelona striker Luis Suarez, one of the quintessential ‘bad boys’ of international football, had darted into the box, following a pass, rounded the goalkeeper and taken a shot at goal. The Chilean keeper recovered his poise in time to palm the ball away from goal.

Momentarily distracted, perhaps, by his failure to score, Suarez immediately appealed for a penalty. What he seemed to have forgotten in the heat of

the moment was that it is the goalkeeper's job to save goals and to do this he can use any part of his body: hands, feet, torso and head. Most usually, goalkeepers use their hands to parry, palm over or collect balls threatening their goal. Soon after, Suarez realised his mistake and stopped appealing.

There was more to come, however. Later in the course of the match, Suarez made frantic appeals to the referee, imploring him to send Chile's Gonzalo Jara off the pitch. The only problem was that all Jara had done was trip up a pitch invader, which doesn't exactly qualify as a foul.

This is, however, an improvement on Suarez's on-pitch behaviour. Five years to the day from the Uruguay-Chile match, Suarez had bitten Italy defender Giorgio Chiellini in a group-stage match during the 2014 World Cup. In all, Suarez was involved in three ‘biting’ episodes: the first time was in 2010, when he bit a PSV Eindhoven player while playing for Ajax in Holland; and in 2013, he had bitten Chelsea defender Branislav Ivanovic, while in a Liverpool jersey and was suspended for 10 games.

This incident prompted Liverpool to sell Suarez to Barcelona, where he has not only mended his ways but turned in impeccable performances season after season as part of an attacking trio, also involving Messi and another striker who has rotated over the years: Neymar, Ousmane Dembele, Philippe Coutinho. The good news for the Catalan side is that another classy striker — Antoine Griezmann — will wear the Barcelona jersey from next season. Suarez's happily changed ways perhaps owes much to his first Barcelona manager, Luis Enrique, who had always been a stickler for discipline.

Generically, the funniest incidents involve all manner of own goals — from misplaced back passes, by goalkeepers unaware of where the sticks are behind them, and, in one instance, from a hoofed clearance from the midway line of the ground.

But there are some outliers as well. Louis van Gaal, Manchester United manager for two years, was trying to convince the fourth official that a free kick awarded to Arsenal should not have been given because the Arsenal player claiming a foul had dived, i.e., simulated a fall. In the course of giving a demonstration of the dive, van Gaal, in fact, toppled to the ground. Strictly speaking, that was not on the pitch, though the incident involving an Eric Cantona look alike making it to the Manchester United line-up on the pitch was. The impostor was turfed out before the game began, however.

As of now, Suarez's appeals on the pitch against Chile can be considered the lightest of moments in top-tier football.

When advertising created celebrities



YES, BUT...

SANDEEP GOYAL

It must have been 1978, or thereabouts, when Promise toothpaste was launched. The young, dimpled, middle-class housewife in the ad would ask in mock exasperation, *Off! Ek aur naya toothpaste?* That simple question mouthed with a bemused and somewhat irritated facial expression soon made both the brand and its protagonist wildly famous. While Promise zoomed to the no. 2 position after market leader Colgate, the lady in the ad became known to the world as Maya Alagh, coincidentally herself a dentist by profession. The Promise ad launched Maya as a television actress of repute who went on to also

grab some meaty Bollywood roles over time.

Forty years ago, Surf introduced ‘Lalitaji’, the unsmiling, fussy, saree-clad housewife with a red-bindi and a distinctive hair-do, who taught India the difference between *sasti cheez aur acchi cheez*. Lalitaji became a household name in no time, but so did Kavita Chaudhary who essayed the role. Kavita was soon chosen to be the lead of *Udaan*, which became one of *Doordarshan*'s most iconic serials ever. The Liril girl, Karen Lunel, having fun under the waterfall became an overnight sensation catapulting the Air India stewardess to national stardom. In subsequent years, Pooja Batra, Preity Zinta, and Deepika Padukone also played the Liril girl and eventually carved out successful Bollywood careers, but no one was ever as much Liril as Karen.

Ankitha Jhaveri, the “I love you Rasna” girl of the 1980s became one of Indian advertising's most recalled brand mascots. It paved the way for her to become a well-known actress in Telugu films. In the 1990s, Parzaan Dastur was the little boy in the Dhara ad who runs away from home and is

enticed back by Ramu *kaka* because there are *jalebis* being cooked by his mom. He became such a prodigy that he was chosen for the role of the silent Sardarji boy in *Kuch Kuch Hota Hai*, the one who tells Shahrukh, *Tussi jaa rahe ho, tussi na jao* and then starred in *Kaho Naa Pyaar Hai*, *Mohabbatein*, *Kabhi Khushi Kabhie Gham* besides other blockbuster Bollywood movies.

So, not very far back in time, it was advertising that created celebrities, and not the other way around. Brands today depend more and more on famous faces to entice customers and build brand preference. Ranveer Singh and Virat Kohli endorse about 25 brands each; Akshay Kumar and Deepika Padukone are brand ambassadors of at least 20 brands each; Amitabh Bachchan, Ranbir Kapoor, Alia Bhatt, and MS Dhoni also have endorsement deals in double digits. One almost gets the impression that brand advertising in India today cannot be done without using a famous face.

Yet, there are successful examples even in the current celeb-crazy environment where brands have managed to cut through the clutter

with advertising that became famous, concurrently catapulting their ordinary everyday protagonists to stardom. Amrita Raichand, a small town girl from Jamsheerpur, and an MBA from Narsee Monjee, played the housewife in Whirlpool's *Mummy ka Magic* campaign a decade ago, and became synonymous with her role as a modern, caring mom. So enduring was her personal equity, and so well-recalled was the campaign, that she today anchors a show called *Mummy ka Magic* as a chef on *FoodFood TV*.

The Airtel 4G girl Sasha Chhetri is a better known face across India than most Bollywood starlets and surely India's women cricket captain Harmanpreet Kaur. Between September 19 and November 20, 2015, Airtel beamed a mind-numbing 54,506 ad spots on national TV featuring Sasha. No wonder, the diminutive 19-years old Xavier's Mumbai student who hails from Dehradun, became one of the country's most-recognised and loved (some say hated) faces. Similar is the story of the *Kya Aapne Kabhi Online Hotel Search Kiya Hai?* Trivago India presenter who ignited an unprecedented-

d, ‘Who is the Trivago guy?’ avalanche on Twitter, Facebook and Quora a couple of years ago. The young man, Abhinav Kumar, is actually the travel portal's own business development manager based in Dusseldorf. He is today an internet darling with unbelievable metrics.

So, even today, it is possible to create memorable advertising in India sans celebrities, such that the ordinary folks in these famous campaigns gain fame and public recognition even beyond film stars and cricketers. But the essential ingredients in converting these ordinary folks into superstars are 1.) a single-minded advertising idea... like 4G in the case of Airtel 2.) limitless repetition of the ad on air... the 50K ad spots of Airtel in 60 days on TV irritated the hell out of the entire nation, but made Sasha unforgettable.

Creating brand characters who are uniquely yours and unequivocally identified with just one brand are invaluable assets. Far superior to employing mercenary celebrities. But how many brands today have the patience and the perseverance to ideate, create, nourish and celebrate ordinary folks as brand champions?

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