

PCHIDAMBARAM

The CEA has good reason to be worried about the insufficiency of domestic resources. Government/ public investment can be made only out of tax revenues and public sector surpluses. Of these, tax revenues are under pressure. 2018-19 was a particularly dismal year; yet the government has set aggressive targets for tax revenues in 2019-20. Evidently, the CEA does not

share the government's

optimism

Toward USD 5, 10, 20 trillion economy

WHILE SPEAKING on Budget 2019-20 in the Rajya Sabha, I said, "If the nominal growth rate of GDP is 12 per cent, the size of the GDP will double every six years. If the nominal growth rate is 11 per cent, it will double every seven years." I urged the Finance Minister to not stop with the goal of a USD 5 trillion economy in 2024-25 but also point out that the size of economy will become USD 10 trillion six or seven years thereafter and it will become USD 20 trillion six or seven years thereafter.

It was not my intention to mock the goal of a USD 5 trillion economy. It is a fair goal (and we shall be happy when we reach that milestone), but it is not an extraordinary goal. Why do I say so?

SIMPLE MATH

The nominal growth of the Indian economy has been, on average, 12 per cent a year for the last 10 years. Please note it is *nominal* growth. If you do your math and multiply 100 by 11 or 12 per cent once for every year you will arrive at the following table:

| | at 11 % | at 12% |
|-----------|---------|--------|
| Base Year | 100 | 100 |
| +Year 1 | 111 | 112 |
| +Year 2 | 123.21 | 125.44 |
| +Year 3 | 136.76 | 140.49 |
| +Year 4 | 151.81 | 157.35 |
| +Year 5 | 168.51 | 176.23 |
| +Year 6 | 187.04 | 197.38 |
| +Year 7 | 207.62 | |

Congress, which won 17 out of 40

Assembly seats. But next morning, when

Singh telephoned Sardesai to ask him to reach the Governor's house, he discovered

that Sardesai, a former Congressman

whose main target was the BJP during the

election, had switched off his phone.

Shortly afterwards, the Congress discov-

ered that the BJP, with just 13 MLAs, had

managed to cobble together a government

with the help of the Goa Forward Party and

some others. Sardesai was appointed plan-

ning and agriculture minister and his two

colleagues were also rewarded with min-

istries. In a coup this month, the BJP suc-

ceeded in luring 10 of the 17 Congress

MLAs to its side. Secure in its solid majority,

the BJP promptly and most unceremoni-

ously dumped Sardesai and his two MLAs,

who were taken totally by surprise.

Incidentally, not everyone in the Goa BJP is

pleased with the recent developments. The

old-time BJP workers are furious with the

entry of eight Catholic MLAs, most of

whom they had fought against bitterly dur-

ing election campaigns, calling them all

As minister for urban development,

Kamal Nath was notorious for demand-

ing out-of-turn memberships for his high-

flying friends at the exclusive Delhi Golf

Club. But even in Modi raj, some hardcore

Sangh Parivar members are not averse to

backdoor entry to the posh club, though

they may not know the difference be-

The BJP's new general secretary, organisa-

tion, BLSanthosh, is not in the mould of his

predecessor, Ramlal, who continued for

over 13 years by being amenable and non-

interfering. He is also unlike Govindacharya,

who was a law unto himself and under-

mined both Atal Bihari Vajpayee and Murli

Manohar Joshi. Nor can he be compared to

Sanjay Joshi, who had a longstanding tiff

with Narendra Modi. Santosh is on the same

page as both Shah and Modi, his major dif-

ferences are largely with B S Yeddyurappa,

since both are from Karnataka. The 52-year-

old Santhosh was virtually in charge of

Karnataka when Yeddyurappa left the party

eight years ago. After Yeddyurappa's return,

friction between the two was inevitable.

Santhosh and his youthful coterie of

Hindutva hardliners did not cooperate in

Yeddyurappa's earlier attempts to bring

down the HD Kumaraswamy government.

Some believe that Santhosh, like Modi, an-

other former *pracharak* loaned to the party,

may eventually join politics full time. He

could be a possible successor to

Yeddyurappa despite the handicap of be-

ing a Brahmin in a state whose politics is

dominated by Lingayats and Vokkaligas.

A DIFFERENT MOULD

tween a birdie and a bogey.

kinds of names.

CLUB CLASS

Of course, to measure in USD, the exchange rate has to remain reasonably stable. If the rupee-dollar exchange rate remains between Rs 70-75 a dollar, the Indian economy that was at the level of USD 2.75 trillion in 2018-19 will reach the level of USD 5 trillion by 2024-25. In fact, the Economic Survey has assumed that the rupee may depreciate up to Rs 75 per dollar while estimating that the size of the GDP will be USD 5 trillion by 2024-25. But why stop there?

The size of India's economy that was USD 325 billion in 1991 doubled by 2003-04, doubled again by 2008-09, and doubled again by September 2017 to USD 2.48 trillion. In future too, the GDP will double every six or seven years. Each milestone will be a matter of satisfaction but not an extraordinary achievement.

CRUCIAL QUESTIONS

The more important questions are: 1. How do we quicken the rate of nominal growth from 11 or 12 per cent to 14 per cent (which is when India will achieve the double digit GDP growth rate of 10 per cent)?

2. What will be the rate of increase in the per capita income of the average

3. Will inequality between the poorest 10 per cent and the richest 10 per cent widen or narrow?

We need answers to these questions and we need policies that will address

| | | 2018-19 | | Growth | 2019-20 | Growth |
|---------------------------------|-----------|-----------|---------|--------|-----------|--------|
| | Budget | Revised | Actuals | Rate | Budget | Rate |
| | Estimates | Estimates | | у-о-у | Estimates | у-о-у |
| Income Tax | 529,000 | 529,000 | 461,654 | 7.16 | 569,000 | 23.25 |
| Union Excise | 259,600 | 259,612 | 259,612 | 0.06 | 300,000 | 15.55 |
| Customs | 112,500 | 130,038 | 117,930 | -8.60 | 155,904 | 32.20 |
| GST | 743,900 | 643,900 | 457,535 | 3.38 | 663,343 | 44.98 |
| Rupees crore; Growth rates in % | | | | | | |

the underlying reasons for low nominal growth, low rise in per capita income, and growing inequality. Unfortunately, the Finance Minister avoided a review of the macro-economic situation and her assessment of the present state of the

Some answers to the questions can be found in the Economic Survey 2018-19. According to the Chief Economic Adviser (CEA), the key to higher growth is greater private investment. A few days ago he reiterated that domestic resources for investment alone would not be sufficient and, hence, the importance of foreign investment.

SEARCHING FOR RESOURCES

The CEA has good reason to be worried about the insufficiency of domestic resources. Government/public investment can be made only out of tax revenues and public sector surpluses. Of these, tax revenues are under pressure. 2018-19 was a particularly dismal year; yet the government has set aggressive targets for tax revenues in 2019-20. Evidently, the CEA does not share the government's optimism.

The table above justifies the CEA's concerns.

If the ambitious tax revenues are not realised, the government's total revenues as well as capital expenditure will come under pressure — as it happened in 2018-19 when the government 'lost' Rs 1,67,455 crore of tax revenue and its capital expenditure was hit.

The CEA is right. Absent greater investment, the growth rate of GDP will be about 7 per cent in 2019-20. Hence the ambiguity in the official documents about the inflation-adjusted growth rate of GDP – 7 or 8 per cent!

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INSIDE TRACK



SNATCH AND GRAB

According to conventional thinking, the BJP will not have sufficient votes to pass contentious legislation, such as the triple talaq Bill, till next year, when it could gain a majority in the Rajya Sabha with the help of allies and sympathisers. But Amit Shah has mounted an ambitious gameplan to trigger enough defections in the Upper House by the year end. The operation began with four of the six TDP MPs switching to the BJP, followed by the lone INLD MP. Now, Neeraj Shekhar, son of the late prime minister Chandra Shekhar, has resigned from the Samajwadi Party. The BJP is focused on Uttar Pradesh since any MP who resigns will automatically be re-elected to the Upper House on a BJP ticket with the help of its large numbers in the state Assembly. Two BSP MPs and two SP MPs have been earmarked as potential targets. The two PDP MPs, Nazir Ahmed Laway and Mir Mohammad Fayaz, are also being wooed. Significantly, neither MP criticised the extension of President's rule in Kashmir. In fact, Ahmed felt that Shah's visit would bring new light to the Valley. Both probably realise that in the present scenario, any association with the PDP is unproductive.

GLASNOST AT HOME

The Capital's journalists find it tough to get exclusive news breaks, since the usual sources are increasingly fearful of being seen talking to journalists. When the Finance Ministry restricted access to PIBaccredited newspersons at its North Block offices, many feared that this was the prelude to a blanket ban on journalists in all government offices and possibly even in Parliament's Central Hall. But reassurance that no such prohibitory order is in the offing came from Home Minister Amit Shah, Finance Minister Nirmala Sitharaman's neighbour in North Block. Shah assured reporters that he would not prohibit their entry. "I am a large-hearted man, I don't impose such restrictions."

As you sow

What goes around comes around. Goa MLA Vijay Sardesai, whose Goa Forward Party won three seats in the 2017 Assembly elections, had assured Digvijaya Singh, then Congress general secretary in-charge of Goa, that his party would support the

OUT OF MY MIND

MEGHNAD DESAI

INDIA IS in a unique position. The 2019

election has ensured a stable government

for the next five years and it will be a bold

or foolhardy person to predict a change of

party in power in 2024.

HISTORY HEADLINE

Rise, dissolution of Dalit Panthers



SUBODH MORE

THE DALIT Panthers was formed on July 9, 1972. India was preparing for grand celebrations to mark 25 years of Independence, but India's Dalit youth were restive.

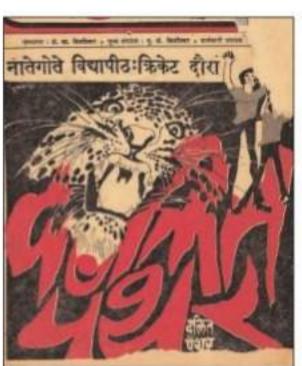
In 1967, the first non-Congress state governments had been formed. Political movements by youth were picking up worldwide and in Maharashtra too, the Yuvak Kranti Dal had been formed. Dalits converted to Buddhism en masse in October 1956. On December 6 the same year, Babasaheb Ambedkar died. But Buddhists had a new identity. Some were benefiting from reservation and were studying in colleges. Between 1959 and 1964, a large land rights movement led by Dadasaheb Gaikwad, who was associated with the Left, had conducted agitations in Marathwada and Khandesh, and over 1 lakh people were in jail. In the late Sixties, Chief Minister Y B Chavan was forced to extend reservation benefits to converted Buddhists too.

It was in the backdrop of these developments that Dalit youth felt emboldened to question the new post-Ambedkar leadership of the Republican Party of India who, they felt, were soft on their issues.

Simultaneously with the Little Magazine movement, Dalit literature began to blossom, speaking a new, angry language. Dr M N Wankhede published *Asmita* from Aurangabad, Baburao Bagul started Amhi (We) in Mumbai. These magazines threw up a galaxy of Dalit literary stars including Daya Pawar, Namdeo Dhasal, Arjun Dangle, Avinash Mahatekar and Raja Dhale. Dhasal's Golpitha was published in 1971, its crude language causing havoc in prudish Marathi literary circles.

Inspired by the Black Panthers movement for civil rights and against racism, writer-poets JV Pawar and Namdeo Dhasal decided to form the Dalit Panthers, and immediately called for a boycott of the 25th Independence Day revelry, calling it a 'Black Independence Day'. Their anger was sparked by recent atrocities against Dalits — a Dalit woman paraded naked in Pune district and two Dalit men's eyes gouged out in Dhakali village in Akola district.

Founding member Raja Dhale (who passed away on July 16) wrote an essay in Sadhana magazine, on the 'Tirangaa'. If it couldn't protect a Dalit woman's dignity, it was only a rag, he wrote. Dhale faced a



Cover of Saptahik Manohar, Feb 1974

defamation case while the Dalit Panthers gained wide publicity. The Panthers would go to villages where incidents of atrocities had been reported and protest. In Mumbai, as they developed strongholds in Matunga Labour Camp, Naigaon-Dadar, Chembur, Ghatkopar, Sewri, Parel and Worli, they challenged the Shiv Sena and Bal Thackeray.

Dhasal, Bagul and Dangle had clear Left leanings, but not everybody among the first generation Panthers saw eye-to-eye. When Dhasal released their manifesto, called Zahirnama, in 1972, Dhale retorted with a pamphlet saying it had a purely Communist agenda. It was a Namazahir, his pamphlet mocked. Bagul and Dangle's Left leanings were honed by Annabhau Sathe who inaugurated the first Dalit Sahitya Sammelan in Maharashtra in 1958.

The Panthers also bore the influence of the Black Panthers. In fact, JV Pawar named his daughter Angela after Angela Davis. They began to network with civil rights groups worldwide and grew in stature. In 1974, the Worli riots took place after an event where Dhasal and Dhale were speakers. Those gathered faced police repression, even policemen's kids donned khaki uniforms and joined Shiv Sainiks in assaulting Dalits. Dhale was severely injured. On January 10, 1974, as a protest rally wound its way out of Bhoiwada, a large grinding stone was hurled from a building by Shiv Sainiks near Parel Railway workshop, and Bhagwat Jadhav died, the first Dalit Panther martyr.

Amid the subsequent unrest across the state, women leaders including socialist Mrinal Gore, Comrade Ahilya Rangnekar, Comrade Tara Reddy and other Left parties gheraoed the old Vidhan Sabha at Kala Ghoda on the issue of PDS rations. I was there too. The Panthers played a major role in supporting this movement.

Moving beyond emotive politics, the Dalit Panthers focused on economic issues

and social justice. They were themselves all working-class people — Pawar and Mahatekar worked at banks, Dangle at the Bombay Port Trust, Prahlad Chendwankar at the docks. That's also how their writing reflected the popular unrest even in their titles, such as Daya Pawar's Kondwada (Blockades) or J V Pawar's Nakebandi.

When the Dalit Panthers appealed for a boycott of the by-election to the Bombay Lok Sabha seat in 1974, Congress candidate Ramrao Adik lost, paying the price for taking Dalit votes for granted. Comrade Dange's daughter Roza Deshpande won. While the Congress also began to label Dhasal a Leftist stooge, in reality, the Left supported the Dalit movement too. My father Comrade Satyendra More was a supporter of the Dalit Panthers, and when Dhasal was underground, he spent time at Comrade G L Reddy's house.

But during the Emergency, Dhasal supported Indira Gandhi and a crisis developed within the Panthers. After the Nagpur conference in 1976, Dhale and JV Pawar left to form their own organisation 'Mass Movement'. That began the post-1976 or second stage of the Panthers.

As Dhasal lost clout after 1977, a new generation of leaders such as professor-orator Arun Kamble and Ramdas Athawale took charge, renaming it the Bharatiya Dalit Panthers. They helped the Panthers grow roots in every village. They found appeal among educated youth through their support of the Naamantar or rechristening movement for Marathwada University. Thousands were arrested for protests demanding that the university be renamed after Ambedkar. I too was arrested with other Left activists for 15 days in Mumbai.

Now, the Left-Ambedkar dichotomy was no longer an issue – the Naamantar movement was led by the Dalits, CPI, CPM, CPI-ML, Lal Nishaan and other socialist groups. The young generation helped the organisation grow. Fiction writers found inspiration in the movement too. Non-Dalits grew aware of the movement while it spread wings and branches elsewhere in the country including the south and north.

But in 1988, Athawale was made a minister by Sharad Pawar, and the Panthers was officially dissolved. Later attempts to form a united Republican Party were shortlived too.

In recent years, whether after the Khairlanji massacre or after Bhima Koregaon, the State's strategy is to insinuate that the Dalit movement has elements from the extreme Left, thus dissuading some youngsters from joining the Left. But I believe a new crop of young radical activists and thinkers will soon be seen in the Ambedkarite movement.

The writer is a senior Left and cultural activist in Mumbai and state committee member of the Jati Anta Sangharsh Samiti

FIFTH COLUMN



TAVLEEN SINGH

A mythical deep state

ONE THING that the International Court of Justice's judgment on Kulbhushan Jadhav proved conclusively is that Pakistanis and Indians no longer understand each other at all. The cacophony that passed for debate on our news channels last week proved this. Pakistani journalists and security experts were invited on Indian TV debates. They were hostile and belligerent and the Indians replied with hostility and belligerence. Much was lost in noise and fury but one odd argument that came through was that the Pakistani media believes that India is governed by a 'deep state' just like Pakistan. A Pakistani woman journalist said this on Aaj Tak and I paid special attention because I have heard it said before by Pakistani friends.

Most Indians have not the faintest idea what a 'deep state' means, so let me explain. The Islamic Republic next door has for most of its existence been in the iron stranglehold of military men, mullahs and bureaucrats. This is the 'deep state'. It is this uber-government that has always got rid of political leaders who say nice things about India and those who dare to talk about peace. Nawaz Sharif, originally a creation of the military, was dumped when he tried to respond with friendship to Narendra Modi's overtures in the summer of 2014.

Sharif had also responded with friendship when Atal Bihari Vajpayee drove across the Wagah border in that gilded bus on a sunny February afternoon 20 years ago. There was so much hope in the air that in Lahore that night I met old friends who truly believed that there would now be peace at last. They did not know that the 'deep state' was busy planning the intrusion in Kargil that led to war months later.

The deep state has always been powerful but I can remember a time in the early Eighties, when I first visited Pakistan, when it was not so totally in control. It was a time when it was possible for political leaders like Benazir Bhutto to rise and for semi-real elections to happen. Pakistan's moment of limited democracy lasted long enough for many Indian foreign policy and defence experts to be seduced into believing that by strengthening the hands of elected prime ministers, peace would one day

Images come to mind of Rajiv Gandhi and Benazir Bhutto smiling happily at each other as if between them they could change the destiny of the sub-continent. Some idiots among Rajiv's closest advisors actually went around crowing about the imminent possibility of peace in the corridors of South Block. Peace may not have come, peace may never have been possible, but we could at least dream of it. The one single incident that changed everything was 26/11. It changed the way Indians saw Pakistan. And, a real bitterness began to set in, because despite ample proof being provided to Pakistan, not just by India but by international agencies, Pakistan has so far refused to accept its responsibility in the attack.

In the debate last week, when the Pakistani journalist implied that 26/11 was an attack engineered by India's 'deep state', I was not surprised to find that she was backed up by other Pakistani journalists. Not surprised because after this terrible event, whenever I have met Pakistanis in foreign lands and in Pakistan, they have all said that they did not believe that Pakistanis could do such a thing. Not even after David Headley was arrested in the United States and gave full details of the planning and execution of the worst act of jihadi terrorism on Indian soil, were ordinary Pakistanis convinced. This is because they believe that a

'deep state' exists in India capable of killing Indians just to malign Pakistan. This belief has been strengthened by Congress leaders having gone out of their way to encourage the tiny handful of Indian Muslims who believe that 26/11 was the work of the RSS. Since the election results, the new 'secular' myth that is carefully and deliberately being created is that Narendra Modi is a pawn of the RSS. And, that it is the RSS that is the real 'deep state'. It is unfortunate that even Rahul Gandhi seems to believe this.

The RSS has been around a very long time and has helped the BJP at election time, but without Narendra Modi, it could never have delivered 300 seats in the Lok Sabha. There is evidence of the RSS interfering in some ministries like education and culture. But, it cannot by even the wildest stretch of Pakistani imagination be described as India's deep state.

For now our biggest problem is that our political leaders do not even speak the same language any more. After the ICJ judgment, Narendra Modi tweeted happily that it was a victory for India and Imran Khan that it was a victory for Pakistan. Ahead lies a nowhere road.

Follow Tavleen Singh on Twitter @ tavleen_singh

Modi must take risks

Modi can pursue the most elusive but universally desirable goal of making every Indian healthy, well-educated and out of poverty forever. India was known for the fabulous for-

tunes of its kings but also for its abysmal poverty, illiteracy, ill-health. It is this challenge of sustained economic growth which has been the most difficult. Poverty was not reduced to any significant extent for 44 years after Independence. That was the consequence of bad economic policy, pursuing

the Soviet model unsuitable for India. Narasimha Rao took the risk of deviating from the Nehru-Gandhi line in economic policy. He faced universal condem-

were wedded to Socialist economic policy. Inaugurating neoliberalism was a political gamble but it proved economically transformative.

Rao's revolution has guaranteed 30 years of moderately high income growth in the 5-10% range. Poverty has fallen to single digit levels. But now there needs to be another bold step for India to jump further up in the growth league. India may be fifth largest economy in total income but it is 145th in terms of per capita income. The vision has to be that India will be in the top 100 if not top 50.

compensate the losers but not let them stop the positive change. It involves breaking with the old culture as Rao did.

The first break should come in the public sector. It was possible in the Fifties of the last century to believe in the superiority of the public sector over private sector. India created an aristocracy of public sector employees who faced no test of efficiency or of enhancing the return to the public purse. They thrived at the cost of the poor. It was a damaging mistake. There was an Indian way of pursuing

development. India had been a trading,

a different path, but Jawaharlal Nehru prevailed.

Narendra Modi once said government has no business being in business. He has to deliver on that now. Air India, PSU banks, hotels, shops, factories — any enterprise wasting taxpayers' money should be sold off. This should be the next revolution in Indian economic policy. Modi has to erase the ill-effects of Old Economics.

lust think of the benefits of abandoning the Nehruvian model. It took India 20 years after 1991 to accept FDI without reservations. But its benefits have been immense. The slimming down of the public sector must be the next transformation. It will be the Modi Revolution in eco-

Narendra Modi has the opportunity to shape India as he wishes. The vision he To do this, Modi has to take risks. Risks private business-oriented economy for presents to India has to be a grand one, an imply the willingness to suffer costs if you centuries. Sardar Patel and inclusive, enriching vision which will want benefits. It is not possible to have C Rajagopalachari knew about the old make India a leader in the world. nation of the economists of the day who change which hurts no one. One must business culture and would have chosen nomic policy. India will win.