

## China overplays its hand



### COUNTRY CODE

RAHUL JACOB

It is a truth almost universally acknowledged that no country on earth has been as consistently misunderstood as China. In his 1937 marketing classic, *400 Million Customers*, Carl Crow wittily observed that the calculator was invented largely so that executives could calculate how much their company's sales would soar if they could get a percentage of China's hundreds of millions to buy their product.

The miscalculations on its politics have been more acute. Reflecting on the 15th anniversary of the Tiananmen massacre, Nicholas Kristof, long-time columnist for *The New York Times*, wrote in 2004 that Western investment by companies such as Starbucks in China would eventually bring about democracy: "No middle class is content with more choices of coffees than of candidates on a ballot."

Fifteen years on, Starbucks abound, yet President Xi Jinping's government has made tracking social media accounts of individuals into a science. This knowhow and its facial recognition technology is sought by dictators everywhere. (Submissions to the Supreme Court on linking social media accounts on Facebook and Whatsapp in India to unique identification numbers hopefully include how the world's largest dictatorship pioneered these methods first.)

Many of the world's pundits gravitated to assuming that Beijing floated above crises that tripped up clumsy democratic governments. The Trump circus in Washington inevitably sparked more such commentary. The Chinese Century, supposedly, was here.

Instead, in the past couple few months, the trade war has hurt China more than the US. Some of China's banks have recently needed bailouts as industrial stress and the growth slowdown exacerbated the challenges of managing an economy so addicted to excess leverage that it is responsible for half the world's credit growth in recent years. Meanwhile, millions of Hong Kongers have marched the streets for 12 weekends to protest the erosion of the special status and the autonomy promised to them in the international agreement signed between Britain and China in 1984, governing its return to China in 1997. (Any similarity to wildly popular, non-fictional events in India in recent months is coincidental.)

It is now China's turn to misread the world's tea leaves. This toxic mix of an idiot savant in the White House punishing Beijing for gaming the global trading system since it joined the World Trade Organisation in 2001 is made worse for China by the world's television cameras training their sights on a peaceful rebellion in Hong Kong. Very unusually, Chinese state media are among those disseminating news of the unrest to citizens in China. This will make it very hard for Beijing to negotiate with protesters.

The timing could not be worse for the Chinese economy. The inversion of the bond yield curve in the US again this week is a sign that a recession is a looming possibility. Soon, an additional \$300 billion of Chinese goods will be hit by US tariffs of 10 per cent, weakening the country's export sector further. Ordinarily, the renminbi dropping to 7.10 to the US dollar as it has in the past couple of days would give exports a boost. But with Chinese banks saddled with enormous US dollar liabilities to domestic companies and the grandiose Belt and Road investments in Africa and elsewhere, this decline is the very definition of a double-edged sword.

China today is Communist only in name. Beijing relies on moments such as a dispute with the Japanese or the US bombing of its embassy in Belgrade 20 years ago to whip up nationalist sentiment. In Hong Kong, however, Beijing is playing a dangerous game by encouraging thundering editorials in communist media against the city's protests. HSBC and Standard Chartered have felt compelled to run advertisements in Hong Kong this week criticising the protests. Young Hong Kong people desecrating Chinese flags have been caricatured in Chinese TV and social media. Now, public opinion in China may force it to deploy troops when it would be wiser to let the protests peter out as they did in 2014. Already, there is speculation that unless the protests end by September, Xi will be forced to act, largely to ensure the celebrations to mark the 70th anniversary of the founding of the People's Republic goes off without a hitch.

One needs a warped sense of communist apparatchik logic to understand this reasoning because, humanitarian considerations aside, such an intervention would spark a financial panic in Hong Kong that would send China into a deep recession and lead to the collapse of some of its banks. I have spent almost half my career in Hong Kong, but gave up trying to understand Beijing's capacity for cruelty long ago. The protesters I was among in Victoria Park in Hong Kong last Sunday were not born when the tanks rolled into Tiananmen Square in 1989. They were good-natured and peaceable even as a cloud burst above the area where more than a million protesters had congregated. Mahatma Gandhi would have applauded their discipline as they stood still in a torrential downpour for almost an hour, raising slogans for the democracy that was promised to them when Hong Kong was returned to China.

## The real test of Modi's leadership

Can the PM entice BJP workers to pursue the end of single-use plastic with the same vigour and enthusiasm as they celebrated an attack on a neighbour?



### PLAIN POLITICS

ADITI PHADNIS

In June 2018, when Narendra Modi unexpectedly announced on World Environment Day that India would adopt policies to become single-use plastic free by 2022, everyone sniggered, and with some justification. How could the Prime Minister even think he could keep his promise, given the political economy of single-use plastic? Some state governments have announced their own bans. But for the most part, these are meaningless because they are observed more in their breach.

On August 15, in his Independence Day speech, Modi repeated the pledge: To drive out single-use plastic from India. For this, he must be lauded. But enforcing the pledge is easier said than done.

The story of the plastics issue in India is

twofold. On the one hand, a combination of government initiatives and efforts including construction, the rise in demand for automobiles and modernisation in irrigation has created significant new opportunities for plastic products. On the other hand, there is growing awareness of the subsequent pollution issues in a highly cost-sensitive market dominated by unorganised and small players largely protected by political interests.

Scholars have explained the difference in the way the plastics economy has grown and developed in India and the West. It is evident from the attention paid to the after-use of plastic. In the West, the proliferation in polymers and products began in the 1950s when there was little awareness of the challenge of post-use or after-use plastics waste. But in India, the growth in the plastics industry has more or less coincided with a proactive environmental consciousness movement of the 1970s and 1980s. So, with every incremental unit of growth of the industry, pollution-related reputational risk to companies using these products also grows. However, the formal recycling industry is unable to keep pace, in large part, because there are no incentives.

The most telling statistic comes from the packaging materials sector in Delhi, the most popular sector in the plastics industry: In the national capital, 660 entities are dedicated to making single-use plastics, and 1,242 entities are plastics importers and exporters in this cat-

egory. However, there are only 272 entities formally engaged in plastics recycling and re-processing, research by NGOs reveals.

Three of the world's 10 rivers that carry 90 per cent of the plastic to the world's oceans are in India — the Indus, the Ganges and the Brahmaputra. According to a January 2015 report by the Central Pollution Control Board (CPCB), every day, Indian cities generate 15,000 tonnes of plastic waste — enough to fill 1,500 trucks, at 10 tonnes per truck — of which 9,000 tonnes are collected and processed/recycled, while the remaining 6,000 tonnes, or 600 truckloads, usually litter drains, streets or are dumped in landfills. About 66 per cent of the plastic waste is mixed waste — polybags and pouches used to pack food, mainly from residential localities, the CPCB report said.

Delhi produces the most plastics waste in the country, followed by Kolkata and Ahmedabad. Answering a question raised on plastics waste in the Lok Sabha in 2017, Minister of State for Environment, Mahesh Sharma, cited the CPCB study to inform parliamentarians that these cities together produced 4,059 tonnes a day. The biggest hurdle to plastics recycling and waste management is non-segregation of waste at the disposal source but the problem varies by location; plastics are estimate to comprise 12.47 per cent of municipal solid waste in the city of Surat, while only 3.1 per cent of Chandigarh city's solid waste is plastics.

PET bottles can be recycled most easily but

wastepickers have little or no incentive to collect plastic bags despite the growing volumes: Collecting 1kg of lightweight plastic carry bags involves so much labour and returns are so low that it is not worth the effort.

Meanwhile, small manufacturers of single-use plastic are out on the streets. The Maharashtra Plastic and Thermocol (manufacture, usage, sale, transport, handling, and storage) Products Notification, which restricts plastic bags and cutlery as well as plastic packaging, was notified in March 2018, the last state to do so. But its notification saw a widespread and tough crackdown on manufacturers as well as users of single-use plastic — without suggesting alternatives or replacement. The ban was not only on the manufacture, sale, and use of throw-away plastic items such as bags, plates, cutlery, straws, and small bottles, but also on retail packaging and Styrofoam. And penalties for manufacturing and selling these items included fines and jail terms of up to three months.

Within the first week of the ban, more than 300 plastic bag manufacturers reportedly had to close, throwing thousands of people out of work. Within a week — after pleas from plastic manufacturers, milk suppliers, small traders, consumer giants like Pepsi and Coca-Cola, and e-commerce companies like Amazon — the government relaxed the rules, exempting small traders and granting more time for bigger players to come up with solutions for retail packaging, including alternative materials and recycling schemes.

Ending single-use plastic is the real test of Narendra Modi's leadership. Leading surgical strikes on Pakistan is easier because the Indian defence forces are on hand to carry out the job. But can Modi entice BJP workers to pursue the end of single-use plastic with the same vigour and enthusiasm as they celebrated the attack on a neighbour?

LUNCH WITH BS ► HARSHAVARDHAN NEOTIA | CHAIRMAN | AMBUJA NEOTIA GROUP

## A matter of choice

Neotia tells Sudipto Dey that while his family played a key role in his choice of profession, his children are totally free to pursue their interests

We are at The Deck, a members' lounge and restaurant with a swimming pool on one side, on the fifth floor of India Habitat Centre, in Delhi. Flipping through the menu, I realise the restaurant specialises in Italian and Turkish food with a lot of non-vegetarian options. My guest Harshavardhan Neotia, however, is a vegetarian and a teetotaler. Clearly, the venue has been picked by his team more for the access than anything else. The All India Management Association (AIMA) is holding a council meeting there, followed by a convocation ceremony for students in the evening. Neotia, as president of AIMA, has to be present in both the events. So we have around an hour to wrap up the lunch — I am reminded by his media relations team — as Neotia, towering above the crowd in a black suit, walks in. A few frenetic minutes of photo shoot inside the restaurant and by the pool side later — as The Deck staff argues over whether we have the necessary permission — we settle down for lunch.

Neotia orders a baby spinach rice bowl along with a Diet Pepsi. I opt for a mushroom-peperoncino pasta and a helping of fresh lime. We share a hard-crust bread with some interesting dips.

The ₹1,500 crore-Ambuja Neotia Group is arguably the largest realty player in eastern India, with a growing interest in health care, hospitality and the education sectors.

In the late 1990s, its public-private partnership with the West Bengal government gave the eastern metropolis of Kolkata the first feel of living in high-rise condominium complexes. Subsequently in the mid-2000s, City Centre mall in Salt Lake City, in the city's north east, became a signature modern retail shopping destination and a popular hangout. It bears the stamp of architect Charles Correa's inimitable style.

Neotia's journey in the real estate business has been a chequered one. And this has more to do with his family's business interests than any lack of passion or feel for the sector.

The Neotia family's Marwari heritage in the

City of Joy can be traced back to 1890, and to its business interests in trading. In the 80s, the family ventured into the cement business through a series of opportunistic acquisitions and its brand, Ambuja Cement, made the family a household name, especially in the north and in the eastern parts of the country.

By the mid-2000s, aggressive multinational brands such as Vodafone and Oracle were eyeing the growing Indian consumer market with a keen interest. Among them was Swiss firm Holcim, one of the largest cement makers in the world, which decided to up the ante. The Neotia family, along with the Sekhsaria family (mother's side) which had a controlling stake in the cement business, decided to cash out.

Young Neotia stepped into the family business at 21 after finishing a degree in commerce from St. Xavier's College, Kolkata, in 1983. He was packed off to Gujarat to get a first-hand feel of an upcoming cement plant. Neotia says he was overwhelmed by the scale of the business and the sight of the engineering blueprints on the table, and the huge construction machinery in the plant. He told his father politely that that was not his calling. After a few months and visibly disappointed, his father sent him back to Kolkata.

A chance meeting with a family friend and he ventured into real estate to develop a block of buildings in Kolkata. One project led to another. Over the next eight to 10 years, his real estate firm developed a portfolio of dozen-odd projects — a very small business compared to family's growing interest in cement. "However, I knew my calling," he says.

That was when the next pivot in Neotia's life appeared seemingly from nowhere.

In 1997, the Neotia-Sekhsaria families had acquired a sick cement unit in Raipur from the Modi group. Neotia's father and uncles wanted him to take charge of the unit and turn it around. His real estate business was put on the slow burn, and he was parachuted as managing director of newly-reconstituted board and management team of Ambuja Cement Eastern. For 35-year-old Neotia, the next eight

years were literally life-changing. He revived the cement unit which had annual losses to the tune of ₹300 crore. In 2005, when he left the company, the business was generating a profit of around ₹300 crore.

The first six months in the cement were the toughest, he says, dealing with legal and labour issues, irate suppliers and vendors, government dues, machinery breakdowns et al. "I even suffered an emotional breakdown," he says. One fine day after that episode he gathered his guts to call a meeting of his top management team and told the members, "I don't have any magic solutions. The solutions have to come from you". Neotia also promised to work shoulder to shoulder with them to turn the company around. Every employee was encouraged to come out with potential solutions to problems facing the unit. A gradual HR transformation followed. "To come out openly about my inadequacies in front of my employees helped build trust. They realised here is guy who is trying to help us," says Neotia.

On the shop floor, too, Neotia worked to bridge the distance between the workers and the management. His morning walks to workers' colonies helped to break the ice. Neotia says he took a conscious call to focus on ramping up production to use the surplus labour in the unit and to avoid lay-offs.

"In hindsight, the turnaround worked because of the human touch," says Neotia.

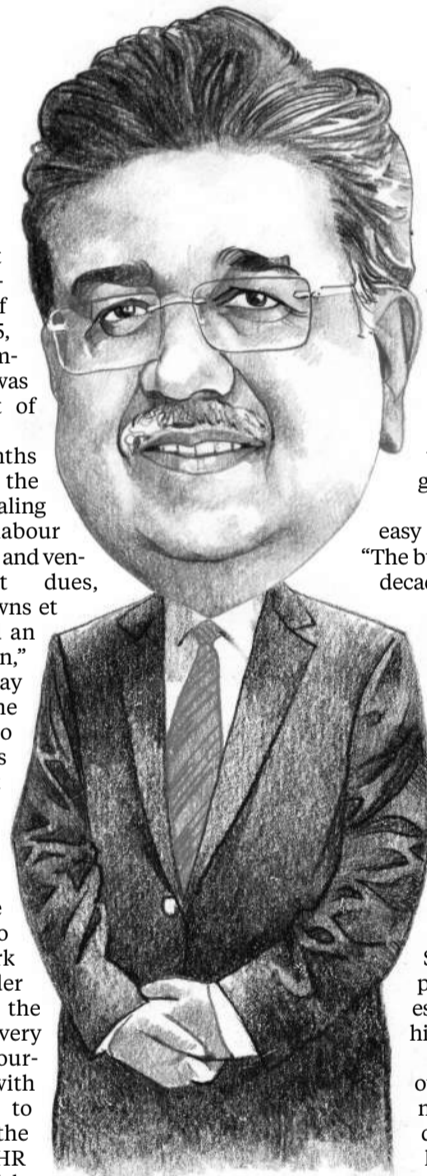


ILLUSTRATION BY BINAY SINHA

The next challenge was around the corner. The family decided to get out of the cement business in 2005. He was very upset with the move but "did not have any control on the decision". "It took me a few months to re-adjust. I appreciated the fact that it was just a job the family had given me," he says.

Neotia says it was also not easy to start afresh in real estate.

"The business had stagnated over a decade," he says. In 1999, a social housing project developed by his firm with the West Bengal government had received a lot of accolades. What worked for him was getting involved in a sector he understood and loved. The excitement of rebuilding a business from scratch began to sink in.

Neotia says he is thoroughly enjoying the blurring of lines between his creative interests and business. Someone who loves reciting poetry, Neotia says the real estate business helps him hone his aesthetics sensibilities.

We have been through with our main course for some time now. The restaurant attendants have been discreet; we have spoken uninterrupted. We decide to skip the dessert. Neotia asks for an

Americano, while I go for cappuccino.

Though his family played a key role in his choice of work, Neotia says the next generation is free to do what they want. He told his two kids early on: "I will not burden you with something that does not inspire you." For the last six months, his son has spearheaded a restaurant and a startup business; his daughter is training to be a filmmaker. "All said, even I had the option to say 'no' to my family. It is another matter I did not," says Neotia, as he is ushered out of The Deck by a member of his team for the convocation ceremony downstairs.

## Prafull Sawant and his Super 25 My chauffeur. Not really!



### PEOPLE LIKE THEM

GEETANJALI KRISHNA

Recently, when I watched the Bollywood movie *Super 30*, I had a sense of déjà vu. Just a couple of days before I watched the movie, I met Prafull Sawant, a 24-year-old from Mumbai. The son of an auto rickshaw driver father and domestic worker mother, Sawant has been successfully running a free learning and tuition centre in his slum in Powai, Mumbai, since February 2016. When he told me his story, I realised it was even more inspirational like the biopic in which Hrithik Roshan essays the role of an impecunious young man who mentors poor students to crack the IIT entrance exam.

The idea of a free learning centre took birth in Sawant's mind while he was still in school. "I noticed that in my community, many students, especially girls, dropped out after class 10 even though they were extremely bright," he said.

Many of them did so because of lack of family support; others because of lack of access to quality education. "My parents, although unlettered, had instilled in me the idea that education was the only weapon I had to progress in life," he said. "I felt that by dropping out, my contemporaries were ensuring they stayed in the same difficult circumstances for the rest of their lives." So, under the guidance of a senior social worker, Sawant, his family and friends, collected the capital to rent a room for ₹5,000. "Since we are close to IIT-Mumbai, we convinced several PhD scholars and professors there to volunteer their time as teachers," he recounted.

What Sawant's little social project has achieved since then is remarkable. "We've taught over 400 girls since we began," he says. "Additionally, we've mentored many of them to apply to colleges and also appear for competitive exams." Today, at least 25 girls come to study here every day in the 12 by 12 foot learning centre. "We supplement what they learn in school, offer regular career

counselling and most important, provide a safe and clean environment which is otherwise hard to find in our slum," he says. Over time, people have donated a computer, laptop and books there. Not surprisingly, although classes are held only in the evenings, many students come to the centre after school to read, play or do their homework. Sawant, who is soon starting an administrative job in IIT-Mumbai and also planning to enroll in a PhD programme, spends his evenings teaching in the centre. "Most days, I end up sleeping here as well," he quips.

Plan India recognised Sawant's efforts by awarding him the Youth Champion for Girls' Rights prize for 2019. When I met him before the awards ceremony, he said that every member of his learning centre who completed school and made plans for a brighter future, gave him motivation to carry on his work. "I'm proud of them," said he, "just as my family is proud of me."

The conversation made me realise that whether one thinks of Anand Kumar and his Super 30 or Prafull Sawant and his "Super 25", one thing is clear: When the push towards community welfare comes from within, it stands a better chance of success. And it's that much more inspirational.



### PEOPLE LIKE US

KISHORE SINGH

Ever since the previous chauffeur, in service with me for a decade, absconded with the motorcycle I'd provided him for commuting, a six-month advance and a light-fingeredness with the garage accounts that came to light following his departure, my family has been merciless about my inability to draw the line over staff incentives and benefits. For most part, I ignored their jibes, even when reminded of the driver I once hired who had no sense of direction at all — surely a necessary skill for the task at hand — so I'd navigate the route to and from office every day, but the thought of sacking him never once

crossed my mind. The ignominy was that he chose to leave me because he considered my navigational skills not sound enough.

At any rate, the new driver, by providence, seems a steadier person — polite and well-mannered enough to please the missus, and ready to run whatever errands the cook unreasonably demands. But it appears that a family conference was held behind my back to ensure there would be no more repeats of the previous incumbent's shenanigans, and that I was not to be trusted with managing the chauffeur's training. I have been entreated with paying his salary but now realise that none of the benefits of employing him accrue to me.

My requirements from a driver are simple: To ferry me from point A to point B without, if possible, breaking traffic rules, keeping the car in reasonable shape while leaving me to read quietly, catch up on office work, or simply gaze out at the city's traffic during commutes. "But he must know about the places we frequent," my wife said to me, suggesting she'd be happy to take the lead in the matter. Thus, she purloined his services, scheduling her lunches and teas and kitty get-togethers, her kitchen-garden and bonsai and sundry other classes, her gossip rendezvous and alumni meets. He

soon knew where he had to go to collect Madam's clothes, who her creditors were, and where she liked to shop, visit or drop by for a casual tête-à-tête. I, meanwhile, was left to hitch rides with a colleague, or use taxis, to get to work and back.

You'd think that I'd at least be permitted to use his services in the evenings, what with my wife's very busy social life to which I was required to be dragged for the sake of propriety, but here the children posted an opportunity claim over him. "Our parties last longer," my son advised me, "so we need the driver more than you do," echoing his wife's sentiment that his parents should cede a lift off friends, failing which, given our age, we ought to stay at home anyway. I, at least, was thankful I wouldn't have to worry about their driving under the influence, but it made my wife cross. "Who are they calling old?" she objected, completely missing the point as usual. On other evenings, my daughter requested the driver to take her to her friends' cavalierly late parties. On these occasions, the sleepless driver would request reporting late for duty the following morning along with his overtime. So, yes, I find myself paying for his extra hours of duty — even though I don't get to benefit from even the primary ones.

## Now to undo the damage

**T**here is a general sense that the economic growth problem came upon us suddenly in the last few months. In some ways, it did — for example, through the continuing fallout of the collapse 11 months ago of IL&FS. That was about the time when the decline in automobile sales began. Similarly, Jet's collapse in April sent up air fares and applied the brakes on what until then was rapid growth in air traffic. In a sense, therefore, the burdens hanging heavy on current GDP numbers are stochastic. The result of random events in different market segments, and hence not predictable.

Yet, many numbers tell us that today's denouement could have been seen coming. During the five years of Modi-I, the net sales of 2,769 non-financial companies tracked by Capitaline increased by a modest 34.5 per cent, even as their net profits increased by an even more modest 20.6 per cent (less than inflation during this period). Most tellingly, assets increased hardly at all over the five years, by just 3.5 per cent — affected, it would seem, by the bankruptcy process because 2018-19 saw a precipitous decline in private sector assets. These growth rates do not support the official 7.5 per cent growth narrative.

The major source of the problem is clear when one looks at the only corporate number which has improved over the five years: The debt-equity ratio. For the private sector this number fell from 1.13 to 0.80, while the public sector's ratio remained more or less unchanged, moving from 0.74 to 0.77. If businesses are focused on deleveraging, they can hardly be investing. This is the price extracted by investment mistakes during UPA rule, and should have been foreseen. But Modi-I must share the blame, for muted reform of the financial sector, partisan policy in telecom, the harm done to exports by an over-priced rupee, and so on.

What could not have been forecast is a startling statistic buried in the 2018 report of the task force for drafting a new income-tax law. The report says that corporate investments plunged by an incredible 60 per cent in 2016-17, to ₹4.25 trillion from ₹10.33 trillion in the previous year (numbers highlighted this week by Puja Mehra in *The Hindu*). This was of course the demonetisation year. Figures for subsequent years are not available, but the data compiled by the Centre for Monitoring Indian Economy show corporate investment projects continuing to remain at multi-year lows.

Another troubled sector, real estate, must blame itself for much of its troubles. But this traditionally cash-driven business has been affected by both demonetisation and the financial turmoil. Consider the financing trends compiled by HSBC. In 2013-14, 61 per cent of fresh funding for the sector came from banks. By 2017-18, this had dropped progressively to zero because of the state of banks' balance sheets. The slack was picked up by the non-bank financial companies — but these have not been able to lend in recent months because their own sources of funding have dried up, post-IL&FS.

Finally, since even biscuit sales seem to have been affected, consider the trend in real (ie, inflation-adjusted) rural wages, for both agricultural and non-agricultural jobs. In the three calendar years 2015-17, these wages grew at slightly less than 1 per cent, and for the last 18 months by an even lower 0.8 per cent. A slump in rural demand was inevitable.

The government has announced some policy measures but its fiscal situation is stressed. In this context, the Comptroller and Auditor General's report on the goods and services tax (analysed in these pages by Nitin Sethi earlier this week) leaves no room for doubt that one of the big reform initiatives of Modi-I was a botched job, and may continue to disappoint when it comes to revenue collection. All in all, Modi-II will need to focus on undoing the damage done, and on tackling jobs left undone, during Modi-I and UPA I & II. Aiming in the meantime for unachievable growth rates would compound past errors. The Indian economy has to lower its sights, and do some hard thinking about how to come out of the present hole.

# Right's myths, wrong path

The 5 dangerous Right nationalist myths on J&K that need to be demolished to win the battle for the hearts and minds of Kashmiris

**L**ast week's National Interest had applied a tough fact and reality check to the five most prominent myths on Jammu and Kashmir believed by our liberal community. It should logically follow that we now do exactly the same with many firmly held beliefs of the Right nationalists. This is an enormously larger group, given the overwhelming Narendra Modi-BJP voter base.

Among them, the belief that Article 370 and the "two-timing perfidy" of Kashmiri leaders is the only problem is even stronger than the liberal sense of collective injustice by the Indian state. This Right-nationalist passion also comes from a lack of understanding of facts, and realities on the ground.

No mythologies — of the Left, Right or centre — serve the national cause which, in our book, includes the Kashmiri cause. That's why we must shine the cold light of fact and reason on these. Because beliefs are lovely, but dangerous if not based on facts. I am, therefore, listing the five favourite Right nationalist myths on Kashmir.

**1.** The first, and the most central is that Article 370, and the special status it accorded to the state, was at the root of the problem. It's now gone, and so will the problem. History is made, and we now have a new dawn.

So far, so good. But history being made doesn't mean the history preceding this is erased. Article 370 was indeed a very emotive issue in national consciousness and in Kashmir, but the fact is, over the 69 years since it came into being as a temporary, special provision, it was no longer even a pale shadow of the original.

Every prime minister of India, with the possible exception of the late V P Singh, had worked on diluting Article 370. By the time the Modi government moved to abrogate it earlier this month, it was a formality. From only three subjects (defence, foreign affairs, finance and communications) to begin with, now 290 Articles of the 395 Articles of the Constitution had become directly applicable to Kashmir.

Some irritants remained, for sure — the usual trope over non-state subjects being denied the right to jobs and property in Kashmir being the most prominent. Some of the others, actually, would — and should — have qualified to be liberal grievances. Punishing Kashmiri women for marrying a non-Kashmiri by denial of property and inheritance rights and Kashmiri status to children from such a marriage or non-application of the Supreme Court orders on triple talaq and Section 377 of IPC, for instance. Unjust for sure, but to call them the root cause of the alienation is a lazy stretch.

**T**he next two important myths in this category have Pakistan written over them. In one, as an occupier should have been, and now must be evicted, and in the other, as a prime provocateur.

**2.** The nationalist Right discourse from 1948 onwards is as follows: Indian Army was poised to recover all of Kashmir from the Pakistanis, including Gilgit-Baltistan, but for woolly-headed Nehru taking the issue to the UN. If only it was left to Sardar Patel ...

The reality is different, and because it is uncomfortable, it won't change. After two seasons of fighting, in 1947-48, broken by the winter, the two armies were locked in a stalemate. Read all available military literature from both sides. Factors of geography, topology, logistics, military might and even ethnicity had made any meaningful progress impossible on either side.

Possibly the only time India could have pushed across the Uri bulge into Muzaffarabad was in the very early days of the first phase of fighting in November-December. But it wasn't possible to bring in the needed troops by air, or road as long as the Banihal Pass was blocked by snow. Many Indian and Pakistani accounts claim a victory was possible in 1948, but these are competing fantasies.

Remember, that this war took place while the two armies were still led by British chiefs. Also, there simply wasn't sufficient asymmetry available to India militarily, Pakistan, at Partition, inherited one-third of united India's armed forces and a sixth of its economy. It ruined the country in the course of time, but in 1947-48, that military gap to enable a famous conquest over the Himalayas was just not available.

And can Pakistan be dislodged from Pak-occupied Kashmir (PoK) now? With great humility, I'd say not really. Despite the many wars and skirmishes we have fought since 1948, costing tens of thousands of lives on both sides, the dividing line between the two armies has been more or less the same, barring minor exchanges in 1971. Even Siachen was unoccupied, uninhabited, and taken without fighting. In real combat (not on commando-comic channels), Pakistani forces are quite capable of fighting a defensive battle. Both, irredentism for the territory 'lost' in 1948, or romanticism for a Bangladesh-style romp in PoK in a fresh war, are irrational mythologies.

**3.** People of Kashmir, by and large, are docile, peaceful, patriotic Indians, but for the ideological contamination of Pakistani propaganda and militant Islam: Of the three, the first used to be true, but it is no longer so. In the earlier phases of this 30-year insurgency, most of the armed fighters had

come in from Pakistan. In fact, in the early 1990s, many foreign jihadis (from African and Arab countries) had also been infiltrated by the ISI. These were also deeply disliked by most indigenous Kashmiris. Over the past decade, however, the insurgency has become much more indigenous. The average young Kashmiri has been angry and humiliated, and is willing to pick up arms. This shows in casualty figures. A vast majority of identified, killed, or captured militants lately has been Kashmiri. This will not change. There are enough caches of arms hidden in the Valley to keep small groups of militants going, and Pakistan will not lose its ability to keep up a supply. The abolition of Article 370 and direct rule of the Centre with control over the police will strengthen the security grid. But it will not end terrorism.

**4.** All Kashmiris need are investment and economic development: To believe this is to betray an arrogant misunderstanding of the human mind. No amount of economic development, central largesse would change people's minds until their mass sense of anger, humiliation and alienation isn't addressed. Loose and arrogant talk of changing the demographics of the state by buying property and settling outsiders, marrying its women, gravely worsens it. This territory of Jammu and Kashmir has always been with India and nobody can take it. But until its (mainly the Valley's) people aren't with you, you have nothing new to write home about.

**A**nd finally, we come to our most sensitive myth. It is also the most dangerously self-defeating.

**5.** Change the demographics, learn from Israel: If you drew the right lessons from Israel, you'd never think of doing so, in fact. Israel has been on this project for decades, and it's a failure. It has brought them neither peace, nor affirmed their claims on territory. Further, India already has the territory, the rest of the world barring Pakistan and China does not dispute it, and unlike Israel, which is a Jewish state, India is a secular republic. Further, you aren't changing the demographics of two mohallas of Purani Dilli or a sector of Chandigarh or Gurgaon. This would require moving something like 10 million Hindus into the Valley. This will never happen. This isn't China, where you can shift millions in caravans. And even that, remember, has not given China peace in Tibet or Xinjiang. Nor has this given Israel security or stability.

The one thing India has over these two states, whose toughness awes us, is our ability to embrace diversity with ease. That's the best approach for Kashmir. The battle for the hearts and minds is still the same: Is India offering them a much better deal than Pakistan? With self-respect, dignity and protection of their identity.

Article 370 is good, and overdue, riddance. The way ahead lies in learning from Vajpayee's method, not in Xi Jinping's.

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NATIONAL INTEREST

SHEKHAR GUPTA

**No amount of economic development, central largesse would change people's minds until their mass sense of anger, humiliation and alienation isn't addressed. Loose and arrogant talk of changing the demographics of the state by buying property and settling outsiders, marrying its women, gravely worsens it.**

## Rajiv Gandhi and the 'baba log' years



AL FRESCO

SUNIL SETHI

**I**n a famous phrase the late editor and columnist Romesh Thapar wisteringly termed Rajiv Gandhi and his team as the "Baba Log government". This was 1986; Rajiv was into his second year as prime minister, having become the youngest PM, at 40, with a majority of more than 400 seats after his mother's assassination in October 1984. Even Narendra Modi hasn't bettered that score nor — it might be wagered — could anyone else easily. Rajiv's 75th birthday last week was observed with customary tributes by his family and party loyalists, and unuttered criticisms by anti-Congress politicians who

abhor — publicly at least — the idea of ongoing dynastic succession.

Many leaders acquire an aura of sainthood in death, their halo in afterlife growing proportionately to the number of critiques and reappraisals.

Rajiv's political life was book-ended and propelled by terrible tragedies. A contented family man and airline pilot, he was forced into politics after his brother's death in a plane crash. There was an amiable lack of guile about him in the early days; he had joined up, he said, because "Mummy needed me". Ten years later, on May 21, 1991, at an election rally north of Chennai he was himself assassinated by a Tamil Tiger suicide bomber.

I was in Bhubaneswar when it happened. Rajiv had been touring Odisha and I had attended his public meeting the evening before. He crossed the border to Andhra Pradesh, then Tamil Nadu, on that ill-fated last day of his life.

A menacing quiet descended on the state capital. I silently watched as Congress party workers mauled cutouts of the formidable chief minister and Janata Dal leader, Biju Patnaik. Seven years earlier Indira

Gandhi too had returned home from touring Odisha before she was gunned down in her garden. The coincidence lent a special poignancy to the Congress slogan: "Ma Bete Ka Ye Baliidaan, Yaad Karega Hindustan." On the plane back to Delhi, a visibly stricken Patnaik (an old friend-turned-fierce opponent of Indira Gandhi) mused: "What sort of a world is this, where elected leaders are maimed and killed?" while Kalpnath Rai, a Congress politician, sobbed loudly, beating his chest in grief and hurling invective at the LTTE.

I met Rajiv only briefly a few times — once in Amethi, introduced by his friend Arun Singh — but requests for interviews were brushed aside, with small talk and gracious smiles. He was approachable and polite (in sharp contrast to his abrasive brother) and was usually accompanied by one of his cronies — Arun Nehru or Vijay Dhar or his former co-pilot Capt. Satish Sharma. An air of baba log entitlement clung to him; it showed up in his language. "Hum apne virhiyon ko unki nani yaad dila denge" and "Chahey hum jeete ya loosey ge" seem comically inept.

But infinitely thoughtless and wounding was his rationale of anti-Sikh violence in 1984: "The earth shakes when a big tree falls."

A friend later described him as "kaan ka kacha" (easily susceptible to hearsay). An example of this was in 1987, when, apparently miffed by some routine statement by the well-regarded foreign secretary A P Venkateswaran, Rajiv, at a press conference, blurted, "You will be talking to a new foreign secretary soon." Venkateswaran was present and — stunned like everyone else — quit soon after.

Domestically, his cardinal error was upturning the Supreme Court judgment in the Shah Bano case through constitutional amendment, a case of minority appeasement so retrograde that its reversals infect the body politic today and have come to haunt his party with ludicrous half-hearted pandering to Hindutva sentiments. Overseas, his worst mistake was the misadventure in Sri Lanka. In July 1987, I was on Rajiv's Colombo trip to sign the India-Sri Lanka accord when an honour guard stepped out of line to attack him with his rifle. It should have been a portent of the

perilous path ahead. By then too the lengthening shadow of payoffs in the Bofors' deal cast a pall on the prime minister and his family. Key friends and allies left his side.

Like his son Rahul — also accused of leading a new generation of entitled baba log during his tenure as party chief — Rajiv tried to purge the Congress of an entrenched old guard. He railed against its network of "power brokers" and "opportunists" but he failed. The economy suffered, with the country's foreign reserves so depleted that successor governments had to pawn India's gold reserves and push through key economic reforms.

On three fronts, however, his reforms had a far-reaching impact. He introduced panchayati raj, devolving power at village level; he picked Sam Pitroda to spearhead radical changes in telecom infrastructure — PCOs and telephones became widely accessible; and he promoted the knowledge economy.

It is said that a person is made aware of his worst faults after cohabiting in personal relationships. Of political leaders it can be said that their most glaring errors are made at the nation's expense. It is the running leit-motif of the *baba log* years.

India are those of E. Sreedharan of Delhi Metro fame, and that of Verghese Kurien of Amul, and not any of the current or past Indian corporate captains.

The moot question remains whether the CEO brand should dominate, sometimes even be allowed to overshadow, the corporate brand. According to the Burson-Marsteller "CEO Reputation Study", close to 50 per cent of the reputation of a company can be attributed to the standing of its CEO. But should the CEO emulate Iacocca? That is not a question that begets an easy answer. Forbes estimates that 44 per cent of a company's market value is attributable to CEO reputation. Mark Zuckerberg, Elon Musk and Jeff Bezos are cult figures today, only perhaps a tad behind Steve Jobs. But the legend that was Iacocca may be difficult for any of them to rival despite millions of social media followers and so many more media pathways to fame. Why? Iacocca was a salesman, even more than being a CEO. He sold the corporate brand; he sold himself too. Brazenly. Audaciously. Unapologetically. Unabashedly.

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## When the CEO is the corporate brand



YES, BUT...

SANDEEP GOYAL

**L**ee Iacocca was a legendary chief executive officer (CEO), the first in a queue that included others such as Sergio Marchionne, Elon Musk and Carlos Ghosn from the auto industry who became flag-bearers for their respective corporate brands; one whose "inspired leadership" style presaged the arrival of Apple Inc.'s Steve Jobs, Microsoft's Bill Gates, Facebook's Mark Zuckerberg, Tesla's Elon Musk and Amazon's Jeff Bezos amongst others.

Iacocca's fame started to soar with the Ford Mustang, which was introduced at the 1964 World's Fair in New York, and became a super-duper hit. Iacocca and the car appeared on the covers of *Time* and

*Newsweek*, with *Time* calling him "the hottest young man in Detroit." In the 1980s, Iacocca joined an embattled and near bankrupt Chrysler. His launches of the first US-produced minivans, the Plymouth Voyager and Dodge Caravan and his personally appearing in their advertising as the straight-talking, patriotic pitchman in Chrysler's television commercials, produced by New York-based firm Kenyon & Eckhardt Inc, catapulted him to hitherto unbelievable stratospheres of exposure, recognition, and popularity as a corporate CEO. "If you don't agree they're the best Chryslers ever made, the very best America has to offer at a sensible price, then I'm in the wrong business," he would say in one ad. His trademark line that made advertising history however was, "If you can find a better car, buy it." His autobiography further tom-tomed his personal legend; it was by far the top-selling hardcover non-fiction book of 1984 and 1985, according to *The New York Times*. There was talk of Iacocca running for President (he never did, though). Without doubt, nevertheless, Lee Iacocca was the first celebrity CEO of the world.

Well in all fairness, there were corporate leaders like John D. Rockefeller, Walt Disney, Estée Lauder and Henry Ford who captured the public's imagination before Lee Iacocca. But Iacocca was just something else. When the 1986 movie *Platoon* was released, viewers first saw a "tribute" — Chrysler and HBO refused to call it a "commercial" — from Mr. Iacocca standing next to a military jeep. "I hope we will never have to build another jeep for war," he said somberly, and ended the spot by saying, "I'm Lee Iacocca." Dave Thomas of Wendy's emulated Iacocca by featuring in his company's advertising; so did Victor Kiam of Remington. Bill Gates quickly understood the power of being visible: by 2002 he had been on Fortune's cover 25 times! And CEO autobiographies became the newest craze: *Pizza Tiger*, by Tom Monaghan, founder of Domino's Pizza Inc. *Work in Progress* by Michael Eisner of The Walt Disney Co. *Straight From the Gut* by Jack Welch, CEO of General Electric Co. *Sam Walton: Made in America* by Walmart Inc. founder Sam Walton. *Father, Son & Co.: My Life at IBM* by Thomas Watson Jr. *The Art of the Deal* by Donald

Trump all followed the success of Iacocca: *An Autobiography*.

India has had its fair share of celebrity CEOs over the past few decades. From JRD Tata to Ratan Tata. GD Birla to Kumar Mangalam Birla. Dhirubhai Ambani to Mukesh Ambani. Brijmohan Lall Munjal to Sunil Kant Munjal. Vikram Lal to Siddharth Lal. Sunil Bhatti Mittal. Kishore Biyani. Rahul Bajaj. Azim Premji. Anand Mahindra. Lakshmi Mittal. Narayan Murthy. But these are all owner-CEOs. There have also been the tribe of global Indian CEOs like Indra Nooyi, Ajay Banga, Sundar Pichai, Satya Nadella and more. But none is really in the same bracket as Iacocca. They are famous; they are well-recognised; they carry considerable political and economic clout; the Tata-Birla-Ambanis are household names. But yet, the kind of public persona that Iacocca had ... the kind of film-star fame that he enjoyed is not to be seen amongst Indian corporates. Even as autobiographies are concerned, the best selling ones in

## Woodstock at 50

EYE CULTURE

SUHIT K SEN

**T**he last weekend marked the 50th anniversary of the defining event of the 1960s and the counterculture movement — the Woodstock rock festival, which was scheduled to be held between August 15 and 17, 1969, but spilled on to an extra day, with established stars and rookies who went on to become stars, performing, many of them, without remuneration.

It wasn't just a rock festival though it was the culmination of all that symbolised the 1960s and its fleeting rebellion against the establishment and its conservative values, celebrating a new kind of music, the use and abuse of drugs, peace, love, and free sex. It rained, sometimes poured, intermittently through the festival, but that didn't deter approximately 400,000 people from turning up, many of them staying through the entire celebratory festival.

The Woodstock festival was originally conceived by two New York City impresarios, who formed Woodstock Ventures in January 1969 to organise the show. After a number of false starts, the organisers found a venue in a farm owned by dairyman Max Yasgur in Bethel in upstate New York. Originally conceived as a paid-for concert/festival, the organisers, who had expected around 50,000 people to attend, were forced to make it free when tens of thousands of people began to descend on the venue days before the concert was to begin and when they realised that inadequate preparation time meant that fences, turnpicks and ticket booths could not be readied on schedule.

A galaxy of stars played at Woodstock. Among them, in no particular order, were Joan Baez, Richie Havens, Arlo Guthrie (son of Bob Dylan's guru Woody Guthrie), and Ravi Shankar, playing on the first day, a Friday; Carlos Santana, Canned Heat, Janis Joplin, the Grateful Dead, Creedence Clearwater Revival (the first band to sign up), Sly and the Family Stone, The Who, Jefferson Airplane, Joe Cocker, and Ten Years After, playing on the second and third days; and, Crosby, Stills, Nash and Young, Paul Butterfield, and Jimi Hendrix, playing on Monday, added to the original three-day schedule, because of delays caused by the rain.

Woodstock would be the last time Joplin and Hendrix would play before a substantial crowd: both died in 1970.

Joni Mitchell wrote a song eponymously called "Woodstock" to mark the occasion. It was most famously performed by Crosby, Stills, Nash and Young, and began: "Well, I came upon a child of God/He was walking along the road/And I asked him, Tell me, where are you going/This he told me/Said, I'm

going down to Yasgur's Farm/Gonna join in a rock and roll band/Get to get back to the land and set my soul free/We are stardust, we are golden/We are billion year old carbon/And we got to get ourselves back to the garden".

The enthusiasm to join the festival caused massive traffic jams. Before getting going with his act, Arlo Guthrie announced, "New York Thruway's closed man, can you believe it", before singing "Coming Back to Los Angeles" onstage and "The Times They Are a-Changin'", in a celebratory tenor. Ravi Shankar was less than impressed by the chaos, the Brownian movement of masses of people smoking dope, chasing heroin, and making love in the open. "They were having fun," he complained in an interview, years after the event.

Crosby, Stills, Nash and Young began their turn, with a disclaimer of sorts. "This is the second time we're playing in front of people, man", Stills told the crowd "we're scared shitless." They went on to play for about an hour, singing, among other songs, "Suite: Judy Blue Eyes" and "Helplessly Hoping in an acoustic set". In their electric set, without Young, they played "Wooden Ships" and the Young composition "Sea of Madness".

One of the most popular performances was the one by Joe Cocker, who air-guitared his way through a rendition of The Beatles' "With a Little Help From My Friends", a cover version that is widely hailed as being significantly better than the original. Jefferson Airplane, fronted by the incomparable Grace Slick, began with a promise: "Alright friends, you have seen the heavy groups, now you will see morning maniac music, believe me, yeah... It's the new dawn..." They went on to sing, in a set of a dozen-odd songs, one of their most widely heard numbers, "White Rabbit", and Crosby, Stills and Nash's "Wooden Ships".

Jimi Hendrix performed the coda on Monday morning, delayed by the rain and the general chaos, about which no one seemed to be bothering overmuch. He played for a couple of hours and played twenty-odd songs, including "Gypsy Woman", "Voodoo Child", "Purple Haze", "Foxy Lady", and, not for the first time, the American national anthem, "Star Spangled Banner". Hendrix's performance was later hailed by rock music fans and rock music historians as not just the defining performance of the Woodstock festival, but of the 1960s and rock music itself.

In the end, the 400,000-odd people who went to Yasgur's farm did "enjoy themselves", but it was not just enjoyment. It was a celebration of the spirit of the 1960s and of counterculture. It was a generation of people telling earlier generations that the times were not just a-changin', they had changed and those who could not lend a hand had better get out fast.