

# Can AI chase away the media blues?

A new app is happy to bring some sanity back into the news ecosystem



## MEDIASCOPE

VANITA KOHLI-KHANEKAR

If technology has created the problems the news industry faces, can it be harnessed to provide a solution too?

The question hits you when you check out ex-NDTV CEO Vikram Chandra's new venture, Editorji Technologies Pvt Ltd. The 10-month old Artificial Intelligence or AI-based news app is described as the Spotify of video

news. The app/tech reaches about 50 million people, says Chandra. A million of these are through direct downloads and rest by being embedded on services or devices. Such as Airtel (an investor along with HT Media) or Panasonic and through strategic tie-ups with Twitter, ShareChat, among half a dozen other platforms/apps. Editorji offers 200 video news stories a day in a feed personalised for you. They are selected by experienced news editors from a pool of sources including wire agencies such as ANI, AFP, AP. Each story is just 20 seconds and you swipe to go to the next one. There are longer stories of two-three minutes each with explainers but without any opinion. The app allows you to create your own newscast based on stories you like, which can be shared. The minute a story is uploaded, the AI takes over. Your feed is personalised based on everything from your locality to what you watch or search.

And that brings us to the question

this column began with.

In the pre-AI era, we were more likely to come across another point of view or read stuff on a random subject. Now, across the world, algorithms are driving people into ideological echo chambers resulting in a vicious, corrosive polarisation that is tearing several countries apart. This, in turn, has created a crisis of credibility and sustenance for mainstream media. TV news that is advertising-, and therefore, viewership-driven simply goes after the lowest common denominator. Newspapers and a handful of websites continue to do journalism.

But feet on the ground, good quality journalism is expensive and almost impossible to discover in the online deluge. That, in turn, has made Google and Facebook the gatekeepers who walk away with roughly three-fourths of all digital advertising globally. An article in *Business Standard* may be read by say a million people, but it might earn money for only about 10-20 per cent of that audience.

"The way platforms (Google/Facebook) operate makes it difficult to sustain. The heart of the issue is how algorithms are designed. If they are designed for time, scale and speed they cater to sensationalism, people want to be titillated," says John Ridding, CEO, *Financial Times*.

The entire fake news factory in several countries relies on this bot-driven, algorithm-driven ecosystem. "Hillary Clinton is a Murderer" is likely to get millions of Americans clicking on a mythical story that makes money for an army of teenagers sitting in Veles, Macedonia. In India, Twitter, Facebook and most importantly, WhatsApp are used with the same effect to offer fake narratives on history, society or politics.

But isn't Editorji another manifestation of the same AI-driven ecosystem? Any form of personalising means an ideological ghettoisation that kills serendipity. Chandra is emphatic that Editorji doesn't do that. There are about 60 con-

tent people in an in-house staff of 75 making it a "human-machine hybrid app which has serendipity built in," says Chandra. It is a point he keeps emphasising. For instance, if like me, you are not interested in sports, it will still show you the occasional sports story that is too big to miss; say P V Sindhu winning a title.

"Sundar Pichai (Google's CEO) once told me that AI will work only when people use it to disrupt their own business. And I am trying to disrupt the news business. We have nothing to lose: No turf, no channel, no website. In fact, we are not interested in what Editorji can do itself as an app. That is not the core of the firm's offering. I genuinely want to change the (news) ecosystem," says he. The firm has registered a bunch of patents which drive the app. The more platforms that use the underlying technology to offer plain video news without bias or opinion the better it is.

If Indians start relying on a pure reportage-based news app instead of shrieky news channels or dodgy WhatsApp forwards, technology would have helped the news industry begin its journey to recovery.

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## CHINESE WHISPERS

### Background check



The Bharatiya Janata Party (BJP), which claims to be the world's largest political party, has started member verification in Madhya Pradesh to check the background of its recent recruits. When on the previous occasion the party opened its door to new members via a missed call, people joined the BJP in large numbers. These new candidates were taken in a hurry without proper verification. Later, it turned out that many of them had criminal cases against them. Now the state unit has appointed a three-member team to scan the membership registers and identify those with a tainted past.

### Loyal but ignored

After actor-turned-politician Urmila Matondkar quit the Congress on Tuesday, the growing disgruntlement in the party ranks became even more palpable. Many leaders pointed out how the party ignored loyal workers. Matondkar joined the Congress in March this year and within days of joining, she got the party ticket to fight the election from the Mumbai North seat, but she lost. Some pointed out that while Matondkar got the ticket, loyal workers like Priyanka Chaturvedi had to quit the party after being overlooked. A couple of Congressmen took to Twitter to bemoan their party's priorities. "People who have loyally stood by any party tend to get overlooked in favour of political tourists," tweeted CR Kesavan, a former spokesman of the party, on Tuesday. "We are political refugees, always overlooked for short-term gains," replied Pradyot Deb Barman, who heads the Congress' Tripura unit.

### Together we can

Nationalist Congress Party (NCP) chief Sharad Pawar met Congress President Sonia Gandhi in New Delhi on Tuesday to finalise seat-sharing between the two parties for the 288-member Maharashtra Assembly polls due in October. According to sources, the two leaders agreed that the NCP could contest 104 and Congress 111 seats, and the two parties would soon take a call on the remaining 73. They would all seats to smaller allies from their respective shares. The NCP wanted to contest 144 seats, but has faced regular desertions from its ranks to the Shiv Sena. This has strengthened the Sena's bargaining power with the Bharatiya Janata Party, its ally. The Sena wants to contest 135 seats and the BJP an equal number. That leaves the remaining 18 seats for their smaller allies, the Republican Party of India (Athawale), Rashtriya Samaj Paksh and Shiv Sangram Party. In 2014, the four big parties had contested separately.

# The malleability of the plastic ban

Lacking serious government legislation and punitive action, the impact of the ban on single-use plastics is questionable

SURAJEET DAS GUPTA

Prime Minister Narendra Modi's clarion call on Independence Day urging citizens to eliminate the use of single-use plastics (SUP) from October 2, the birth anniversary of Mahatma Gandhi, has refocused the spotlight on corporate India's preparedness in making his vision a reality. The reason: India Inc is one of the key users of SUP — ranging from pet bottles, tetra packs, multi-layered plastics (MLP) to milk pouches.

But opinion is divided on the PM's war on waste. Some say it is all optics, lacking serious government legislation and punitive action. But senior government officials say they are planning to crack down on items such as plastic straws, cutlery, cigarette butts, PET bottles below 200 ml (which has been tried in Maharashtra) and plastic bags below 50 micron (banned in many states). This, they hope, will stir India Inc out of its ennui on the serious issue.

Is it wrong to put the onus on corporate India? To be fair it has done well in recycling PET bottles (80 per cent is recycled) and has made reasonable efforts with tetra packs (53 per cent is recycled). But the big challenge which seems not to be in focus is recycling MLP (such as snack packaging like Lay's, or Hindustan Lever's sachet shampoos or Parle's biscuit packs) which could be the key for succeeding in reusing or reducing SUP.

MLP recycling is so negligible that no one is ready to hazard a guess.

According to the Central Pollution Control Board (CPCB), India generates over 26,000 metric tonnes every day of plastic waste of which 6 per cent is MLP. But many believe that their share is far higher especially in cities. According to a global study by Alliance for Incinerator Alternatives, a grassroots research association, MLP constitutes 60 per cent of all the branded plastic waste in 15 cities in 18 states which it randomly studied last year. The problem is that segregating MLP plastic from the metal is cumbersome and expensive, so rag pickers have no incentive to collect it and this packaging remains unrecycled and in the ecosystem.

The other problem area is milk pouches. The Centre for Science and Environment (CSE) estimates only 15-20 per cent of the pouches are recycled. Corporate India is trying to make some headway in MLP, with some 30 Indian and multinational players collaborating in a consortium christened We Care as part of their extended producer responsibility. Its backers include PepsiCo India, Nestle India, Perfetti, Dabur and Dharampal Satyapal. The mandate is to collect MLP and find alternative usages.

Will this work? In 2016, the central government pushed through the Plastic Waste Management Rules making it mandatory to phase out MLP in two years. But experts say the government



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tweaked the MLP definition in such a way as to give companies a loophole to skip the deadline. Also, the rules did not mandate what percentage of the MLP waste producers should retrieve, giving them freedom to pay lip service to the rules.

The reality is that recycling MLP is a global challenge. Says Swati Singh Sambyal, who heads the programme on waste management in CSE: "The issue is there is no viable alternative packaging to MLP, so there is need for a lot of R&D. For instance, the industry is looking at standardising the polymers used in making MLP, instead of using different kinds, to make recycling easier".

We Care is working on various ways to collect and dispose of MLP, which includes using it as an alternative fuel in cement kilns, for waste to energy pyrolysis to convert it into fuel, for road construction and even for making furniture. Says We Care President Atul Sud: "We are focused on creating an end-to-end system for sustainable management of plastics. There is also a large unorganised sector that is not committed to meeting its obligations".

In areas where corporate India has taken bold initiatives — in PET bottles, for instance — the compulsion comes from business logic. Reliance Industries, which provides the resin, the key raw material, processes over 2 billion pet bottles a year and according to a senior executive is scaling it up three times to 6 billion in two years. Like many others, it converts them into polyester fibre and some of it is used downstream to make fashion apparel.

Gem Recycling, which retrieves the waste PET bottle through its network, offers rag pickers ₹20 per kg for pet bottles, which is far more attractive than the other plastic waste they pick up. Gem converts them into granules which are sold to the textile industry and makes reasonable margins from the business. Gem director Sachin Sharma: "Our total expense including paying rag pickers, washing, segregation and baling is ₹30 a kg. We sell it at ₹33 a kg. We procure threads from companies to which we sell the bottles and make products like T-shirts, bags, jackets under our own brand".

Many companies say the biggest challenge is that the government has

still not specified the SUP definition. They question how CPCB can define recyclable plastics as SUP and bring them under the purview of a ban. And experts say an arbitrary ban has a serious impact on jobs. "Most of the bags below 50 micron or plastic cutlery are manufactured in the unorganised sector so a huge number of jobs would be at stake. The people working here have to be shifted to new alternatives, such as making cloth bags. You cannot do it overnight," says Sambyal.

Some experts say a ban on bags below 50 microns might fail because manufacturers will merely shift to bags above 50 micron which are still cheaper than cloth and can be reused by consumers and out of the purview of SUP, rather defeating the purpose of reducing plastic use. Consumers, too, see no economic benefit in reducing plastic use. Industry estimates that one can get 400 plastic bags for ₹100; if they had to buy cloth bags they would cost between ₹10 to ₹150 a piece.

The CPCB is treading carefully too and the ministries of consumer affairs and food processing are pushing for a realistic policy. Milk pouches are yet to come under the purview of the ban. Even for plastic bottles, by concentrating on a proposal to ban below 200 ml, the government has virtually protected the beverage industry (only two brands have water packaging below 200 ml). Instead, it is concentrating on plastics bags below 50 microns where state bans have not made a significant difference. The question is whether Modi will be able to galvanise India towards more responsible use of plastics.

## INSIGHT

# International competitiveness imperative for survival

This calls for anti-protection policies contrary to what we are currently pursuing with increase in tariffs in successive Budgets



JAYANTA ROY

Gross domestic product growth has hit a record low of 5 per cent with dismal manufacturing growth. Economists are advocating increase in investment and interest rate cuts. But these are not sufficient to revive industrial growth. In the globalised world to which we are intrinsically integrated since 1991, we cannot succeed in sustained industrial growth without being internationally competitive. This calls for anti-protection policies contrary to what we are currently pursuing with increase in tariffs in successive Budgets. India's non-agricultural average tariff level is about 14 per cent compared to single-digit levels in successful ASEAN countries. It is high time that we let our industry stand on its own feet in this turbulent competitive global environment. This is required for its long-term survival. We need to give up our protectionist policies immediately. Indian industry should be competitive enough to penetrate global markets as well as efficiently substitute some domestic imports. For this we need to better link our industry to global value chains (GVCs). So far, India is not well connected



with the GVCs, which combine goods, services and technology to promote exports on account of transaction costs and poor business climate. The government's focus should be to overcome these deficiencies. India is well placed to link to GVCs:

- We have a very dynamic services sector — professional services — and a very remarkable technology capacity which are essential for task-oriented GVCs.
- We are yet a small player in GVCs with much room to grow. Our MSMEs hardly participate in GVCs unlike those in Southeast Asia, China, Korea, Japan, Mexico and some East European countries.
- The same is true for the levels of FDI, especially efficiency-seeking FDI, linked to creating a hub in India which are at a dismally low level till now. Most of our FDI is market-seeking catering to a large domestic market.
- India is ideally placed to be a supply chain hub given its proximity to the high growth Southeast Asia and East Asia.
- Most importantly, we have a government that has embarked on an out-

standing foreign policy that just needs to be complemented with matching next generation trade and investment reforms.

We need to focus on the following policies:

- Fully implement the recommendations of the 2018 Logistics Development Report of the Prime Minister's Economic Advisory Council (PM EAC). Significant reforms have been taken in trade facilitation as reflected by tremendous improvement in the ranking of Trading Across Borders from 146 in 2017 to 80 in 2018. We now need to focus on implementing the recommendations on logistics reforms contained in the report under the logistics cell in the Ministry of Commerce and Industry which should report to the PM since logistics issues are handled by several ministries.
- Improve the business climate to allow a level playing field for MSMEs and help them attract FDI since they are short of both investment funds and technological know-how. Again, we just need to build on the vast jump in the Ease of Doing Business ranking from 100 in 2017 to 77 in 2018. We

should target reaching the rank of 50 in the coming year.

- Diversify professional services beyond IT and ITES to accounting, engineering, architecture, design, product development, legal and medical services. This requires urgent regulatory reforms of the services sector in India and negotiation of trade barriers within trade agreements.
- Promote skill development in labor-intensive services. The changing landscape of IT and ITES requires far greater emphasis on a diverse range of expertise and domain knowledge than mere programming that call centres ask for. The government and the private sector together would have to convert India's large output of natural science, arts, and commerce graduates into employable resources in the diversified professional services sector.
- A simplified tariff structure to encourage easy importation of inputs/intermediates, and to reduce tariffs on them.
- Regulatory environment that is attractive to FDI in manufacturing with emphasis on national single windows and timely decision making.
- Finally, the Department of Industrial Policy and Promotion should focus entirely on investment promotion with a strong value-chain focus. It should be mandated to chase global majors and innovators in specific value chains and attract them to India. We need to think value chains.

We need sustained growth in GDP, manufacturing, services, exports and jobs to cement our place as a major global player. For this we need to be internationally competitive and closely link our manufacturing and services industry and technology to GVCs to promote exports and efficient import substitution only. Make in India is to make for the whole world, not just for India.

The writer is a former economic advisor in the Union commerce ministry

## LETTERS

### We need solutions

I refer to the three erudite articles written by the famous economist Pranab Bardhan: "Does inequality matter when poverty is falling?", "Equality-efficiency trade-off", and "A link among inequality, conflict and cooperation" (September 4, 5 and 6 respectively).

For an analysis of the relationship between wide inequality in the economy and economic development and various other factors, his articles are simply scintillating. His conclusion that the conditions of the poor may be improving but those of the rich are improving much more is correct. He has busted the theory of "tolerating even a large dose of inequality if it improves the aggregate economic performance". He has disagreed with the so-called trickle-down theory. He says that inequality has encouraged excessive risk taking in the financial sector. Finally, inequality can have serious inefficiency consequences. All these theories are unexceptionable. Had he written about India specifically, he would have also added how the growth of the super-rich distorts administration when politicians and bureaucrats are simply bought up.

His writing is comparable with that of Thomas Piketty who published *Capital in the Twenty-First Century* in 2013. Piketty has given a solution, namely, high progressive tax, a re-distributive mechanism and investment in education. Right or wrong, these are of course, a prescription for developed countries only.

Unfortunately, Bardhan has not indicated any solution. He has not said how

inequality can be minimised without compromising on production. To that extent, his essays are just an excellent analysis of inequality but they are not useful to us for practical purpose.

**Sukumar Mukhopadhyay**  
via email

### Stop crying foul

This refers to "Trinamool, CPI urge Election Commission not to strip national party status" (September 10). It was interesting to learn that the CPI, the TMC and the NCP has urged the Election Commission of India to not take away their national party status solely on the basis of their highly subdued performance during the recently held Lok Sabha election. They went to the extent of pleading they should be given a fresh opportunity to improve their electoral performance.

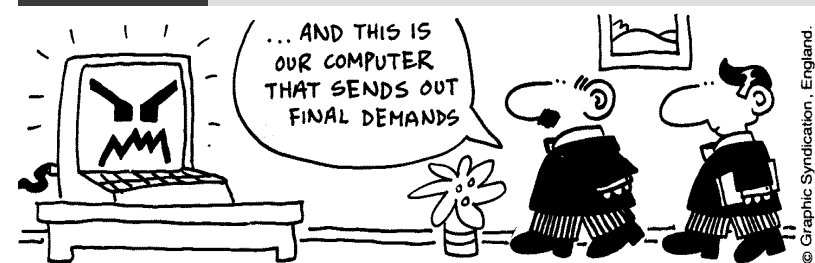
Significantly, as per the Election Symbols (Reservation and Allotment) Order, 1968, a political party can be recognised as a national party if its candidates secure at least six per cent of votes polled in four or more states in the Lok Sabha or assembly elections, and, in addition, it has at least four members in the Lok Sabha.

In all fairness, the trio should graciously accept they no longer enjoy the status of a national party and must start making all-out efforts to regain their lost position.

**S Kumar** New Delhi

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard, Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi 110 002. Fax: (011) 23720201. E-mail: letters@bsmail.in. All letters must have a postal address and telephone number

## HAMBONE



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## The rise of the extremes

Political parties across the world are diverging

It has long been argued that the practice of democratic politics renders extremist political parties unviable. There were multiple proposed channels for this widely observed moderating influence associated with seizing power through elections. Perhaps, as the median voter theorem suggests, extremists cannot hope to win without persuading the median voter that they will responsibly implement moderate ideas. Or the nature of representative democracy, in particular, requires compromise in order to push through elements of an agenda. Or perhaps extreme views within the political spectrum serve merely to push the “Overton window” of acceptable ideologies one way or the other, shifting the median voter but not capturing power themselves.

What is clear, however, is that recent years seem to have knocked a hole in the assumption that extremist political forces converge to the centre over time. Consider, for example, the fraught politics of the United Kingdom, which is dealing with the looming Brexit deadline, the possibility of a general election, and a de facto split in the governing party. There, both the Conservatives in power and Labour in opposition have been taken over by a hardline minority — of Eurosceptics and Marxists, respectively — pushing them further apart from each other. In the United States, the Republicans have surrendered to Donald Trump and Trumpism, while the Democrats have swung to the left following Hillary Clinton’s loss in 2016. In India, meanwhile, the Bharatiya Janata Party is no longer the party of Atal Bihari Vajpayee.

So, why are political parties diverging to the ideological extremes in democratic polities, and what can be done about it? One reason lies, perhaps, in the radical changes brought about by technological progress. The ability to organise extreme interest groups within parties means that their greater enthusiasm ensures that they have an advantage in inner-party democracy. Thus, figures like Donald Trump or Boris Johnson have a head start when it comes to winning primaries or the equivalent. Technology has led to a crisis of representative democracy: Rather than trusting the far-away representatives in the national capital to come to the best possible compromise with other ideological factions, voters demand instead that they remain ideologically pure even at the cost of policy deadlock or extremism. In addition, when politics is reduced to Twitter-friendly slogans and memes, centrist parties find it difficult to present their nuanced approach to the public.

It is hard to see how democracies can break out of this dynamic. One possibility is what can be observed in France, where moribund parties of the centre-left and centre-right — the Socialists and the Republicans, respectively — have largely been replaced in the public imagination by a new centrist force, the En Marche party of President Emmanuel Macron. Mr Macron is not hugely popular — but is still more popular than the alternatives. His ability to be decisive also means that he has not abandoned political agenda-setting to either extreme. Across the democratic world, centrist forces that are able to coalesce and demonstrate that they are able to take progressive and forward-looking decisions are those most likely to be able to fight off the rising power of the political extremes. The question is whether this process will ever be able to revive the political centre in the world’s largest democracy.

## Truth to power

The law should not restrict freedom of speech in a democracy

Over the past decade, the space for freedom of speech and expression guaranteed by the Constitution of India has been under increasing threat. A growing number of Indian citizens have been hauled before courts and thrown into jail merely for criticising and parodying political leaders, or revealing corruption and other scandals perpetrated by state authorities. A number of these arrests are made under the sedition laws (with assassination conspiracies occasionally thrown in). How does this development square with Constitutional guarantees under Article 19 (1) (a)? Politicians may drone on about the “anti-national” proclivities of those who bravely speak truth to power. But it took a Supreme Court judge, Justice Deepak Gupta, to point out why they’re dead wrong. Justice Gupta, 64, was elevated to the apex court’s Bench in 2017. He is one of the more low-key judges, though he did attract headlines that year for hearing and disposing of 33 cases in a single day.

Unlike the Famous Four who held an unprecedented press conference to highlight anomalies in the then Chief Justice’s allocation of critical cases, Justice Gupta spoke truth to power in a more modest setting. He was delivering the valedictory address at a workshop organised by a non-government organisation in Ahmedabad on the topic “The Law of Sedition in India and Freedom of Expression”. His lecture, however, proved a *tour de force* for its clear explication of the history and legal intricacies of sedition law. No surprise, the speech attracted national headlines.

The burden of Justice Gupta’s speech was that “the right of freedom of opinion and the right of freedom of conscience... include the extremely important right to disagree”. He cited several landmark judgments to make the point that “[a]s long as a person does not break the law or encourage strife, he has a right to differ from every other citizen and those in power and propagate what he believes is his belief”. The law of sedition, on the other hand, originated during the Raj, when the British sought to suppress dissent to their exploitative ways. Its most invidious provision covered comments expressing disapproval of the administrative or other actions of the government “that excite or attempt to excite hatred, contempt or disaffection”. This naturally provided generous scope for judicial interpretation that usually ended in jail sentences. This was the law India inherited at independence but successive Supreme Court judgments narrowed this interpretation to state that sedition did not apply if no law and order problem was explicitly created.

Yet, Justice Gupta highlighted several cases where the law continued to be grossly misused, including invoking the notorious Section 66A of the Information Technology Act until the Supreme Court invalidated it in 2015. Justice Gupta rounded off his speech with some sage advice for India’s political leaders: “Criticism of the policies of the government is not sedition unless there is a call for public disorder or incitement to violence. The people in power must develop thick skins.” In a country that demonstrably prides itself on its democratic credentials, and one that remains ever eager to attract foreign capital and expertise, Justice Gupta’s message could not have been better-timed.

## Dalit illusions



BOOK REVIEW

ARCHIS MOHAN

August 29 marked a year since Maharashtra police arrested civil rights activist Anand Teltumbde, along with some others, for his alleged role in the Bhima Koregaon violence of January 2018, and claimed they were investigating him in a purported Maoist plot to assassinate Prime Minister Narendra Modi. He is currently on bail.

Mr Teltumbde is one of India’s foremost public intellectuals. He has spent long years in the corporate world, taught management at some of the country’s premier institutes, including the Indian Institute of Technology, Kharagpur. He has an engi-

neering degree, another from Indian Institute of Management, Ahmedabad, and a doctorate in cybernetics.

Why, therefore, would the state arrest a professor who has written books on management and on Dalit struggle and who could, at worst, be accused of committing the crime of exercising his constitutionally guaranteed right to dissent? The answer could lie in Mr Teltumbde’s book, *The Republic of Caste: Thinking Equality in the Time of Neoliberal Hindutva*.

Mr Teltumbde has based the book on several monthly columns he has written for the *Economic and Political Weekly* over the past decade. The 13 chapters look “at how inequality in India is deeply entwined with caste and religion, and how in our times, both caste and religious fundamentalism have colluded with the market to speak the language of majoritarianism”.

Mr Teltumbde challenges some of the orthodoxies of the Dalit discourse, tries to unmask the intent behind the Sangh Parivar glorifying Dalit icon BR Ambedkar

and lays bare the motivations and machinations of mainstream political parties and the state when faced with dissent from the most marginalised of its citizens.

He makes a compelling argument against reservations Dalits get in the Lok Sabha and state legislatures, in education and jobs. He wonders if caste-based reservations have become a tool for upper castes to defeat BR Ambedkar’s vision of annihilation of caste. The author says Dalits have fallen prey to ruling-class propaganda that the system may have operational defects but is essentially perfect since Ambedkar designed it.

He writes that Ambedkar himself “had declared quite plainly in the Rajya Sabha in 1953 that he had been used as a hack in the writing of the Constitution”. Two years later Ambedkar had described the Constitution as a “beautiful temple occupied by demons”. Mr Teltumbde says the first statement was a “painful disclosure of truth” and the second was “a strategic retreat”.

Mr Teltumbde believes violence against Dalits is primarily a phenomenon of post-colonial India. He says Dalits living in rural areas endure the upper caste grudge

against reservations and pay the price when they have hardly benefited from the mechanism. He points to the killings of Surekha Bhotmange and her children in Khairlanji in September 2007 to buttress his argument that Dalits in politics and government service tend to cater to the interests of upper castes, and that reservations help them and their families instead of the community at large.

In Khairlanji, almost the entire state machinery, from the district police chief, inspector of the local police station, to the doctor who performed the postmortem were staffed by Dalits, most of them belonging to the same sub-caste as the victims. “Not only did they remain inert, some of them made matters worse. This should make Dalits sit up and rethink the logic of representation that has been the pivot of their movement,” Mr Teltumbde writes.

He argues that many social services traditionally provided by the state, such as water supply, education, healthcare, sanitation, transport, are now increasingly in private hands, which hits the majority of the poor, necessarily Dalits, hardest. Privatisation of higher education also hurts the poorer sections the most.

Mr Teltumbde disagrees with those Dalit intellectuals who claim a free market benefits the community, that markets do not recognise caste and have boosted entrepreneurial activities among certain Dalits. He says it is empirically untrue that there has been a spurt in entrepreneurial activities among Dalits, or that whatever is observed could be attributed to these policies.

On the recent glorification of Ambedkar, the author states that for the ruling classes feigning love for Ambedkar is far easier than stopping atrocities. He says the Rashtriya Swayamsevak Sangh is “nothing but the ideological enemy of Ambedkar”, but is trying to saffronise him through “a plethora of literature fraught with pure lies and half truths about Ambedkar”. “His utter contempt for Hinduism was neutralised by projecting him as the greatest benefactor of the Hindus,” Mr Teltumbde says.

The author believes the resurrection of Mr Ambedkar in public imagination has much to do with his economic views, since he is the perfect neoliberal answer to the icon of post-independence India, the nativist Mahatma Gandhi, and is also a bul-

wark against communism.

“The only people who could thwart this project are his own followers, by resurrecting him as the emancipator of the down-trodden and hence on the side of the resistance to neoliberalism. But when they themselves start to promote him as the greatest free market ideologue, the coast is clear for a right-wing takeover,” he writes.

Mr Teltumbde sees hope for Dalit politics in the rise of the Bhim Army and emergence of leaders such as Jignesh Mevani of Gujarat, but cautions against the threat the Hindutva forces present to “what little good was accomplished during the last seven decades.” “Given the pace with which the forces of darkness are scaling the ramparts, to persist in believing that technicalities such as constitutional barriers will prove any hurdle to them would betray monumental naiveté,” he says.

**REPUBLIC OF CASTE: Thinking Equality in The Time of Neoliberal Hindutva**  
Anand Teltumbde  
Navayana, 432 pages, ₹695

ILLUSTRATION: BINAY SINHA



## Benefits of a progressive consumption tax

In an environment where wealth inequality is rising inexorably, the case for a new tax system has become increasingly compelling

It’s time for the United States to consider switching from income tax to a progressive consumption tax as a way of addressing growing wealth inequality? Many economists have long favoured a consumption-based tax system for raising revenue on the grounds of efficiency and simplicity. However, despite occasional vocal adherents, it has never gained political traction. Is it time to think again?

One of the main objections is that switching systems would require a potentially complex transition to avoid penalising existing wealth holders, who would be taxed when they try to spend accumulated savings on which they had already paid income taxes. Yet, in an environment where wealth inequality is rising inexorably, that drawback may be a virtue. Moreover, a great strength of a consumption tax system is that it does not tax saving, and also gives firms more incentive to invest.

Certainly, there are other, more straightforward ideas for tackling wealth inequality. US Senator Elizabeth Warren has proposed an ultra-millionaire tax on the 75,000 wealthiest American households, which would amount to a 2 per cent annual wealth tax for those with more than \$50 million, rising to 3 per cent for billionaires. Warren’s bold proposal has set off an intense debate among economists on just how much revenue it would bring in. Emmanuel Saez and Gabriel Zucman of the University of

California, Berkeley — heavy hitters in the inequality literature — have endorsed Warren’s plan, estimating that it would raise nearly \$3 trillion over 10 years. A number of prominent ultra-rich are also on board.

But Harvard’s Lawrence Summers — a former US Treasury Secretary and a towering figure in public finance — has argued that such estimates are wildly optimistic. Summers and his co-author, University of Pennsylvania law professor Natasha Sarin, have suggested that a better path to the same end would be to implement a broad range of more conventional fixes, including an increase in the corporate-tax rate and eliminating ultra-wealthy families’ ability to avoid capital-gains taxes through bequests.

The debate is ongoing. However compelling the moral case for a wealth tax may be, it has historically proven difficult to garner large revenues from it. But Saez and Zucman have held their ground, arguing that much depends on the resources the US Internal Revenue Service is given to implement the tax. Regardless, both sides agree on the objective, and the general direction of the debate foreshadows what to expect if a progressive like Warren wins the US presidency.

I am not unsympathetic to Warren’s plan, nor to the Summers-Sarin approach, but both are complex to implement. Why not target the same aims with a



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## No end to the govt’s tax worries

The Indian economy’s growth prospects look quite grim. Its gross domestic product (GDP) grew by just 5 per cent in April-June 2019 in real terms, a six-year low. This was even lower than the 5.8 per cent print recorded in the previous quarter.

A decelerating economy has obviously posed many challenges for the government. One of these challenges pertains to the government’s tax revenue. Even while the government formulates new packages to help the economy recover from such low levels of growth, it needs to worry about its own tax revenue as well.

How serious is the government’s tax revenue challenge? First, let us disabuse ourselves of the estimates of very modest growth in revenue collections that the July Budget for 2019-20 had presented. Those tax revenue growth numbers were arrived at by comparing the current year’s projected numbers over the revised estimates for 2018-19. As we all know by now, the gap between the revised estimates and provisional accounts for 2018-19 was huge — the latter showed that the actual tax revenue was down by ₹1.67 trillion compared to the revised estimates for the same year.

Thus, achieving the gross tax revenue target of ₹24.61 trillion in 2019-20 will require the government to grow its tax revenue by over 18 per cent (when compared to the provisional accounts of 2018-19), almost double the 9 per cent growth the July Budget had shown. The relatively low growth was because the July Budget had misleadingly used the revised estimates for 2018-19 to arrive at the revenue growth numbers for 2019-20.

A tax revenue growth target of 18 per cent is a tough task even when the economy does well on the growth front. The last time the government’s

gross tax revenue grew by more than 18 per cent was in 2010-11. That was nine years ago. In the current year, the government had initially projected a nominal growth rate of 11 per cent for the Indian economy. But the GDP’s nominal growth in the first quarter of 2019-20 was only 8 per cent, a 17-year low. Achieving an 18 per cent gross tax revenue growth will call for a significant improvement in the tax buoyancy rate, which is unlikely.

Take a look at the tax revenue collections in the first four months of 2019-20. Gross tax revenue collections in April-July 2019 have grown by just 6.6 per cent, almost a third of the desired rate of 18 per cent. Collections of corporation tax, income-tax and central goods and services tax (CGST) have grown between 5.46 and 5.96 per cent. Worse, central excise collections, which largely come from petrol and diesel, have seen a contraction of 10 per cent. This is a puzzle. Consumption of

petroleum products in this period has not declined, though it registered only a marginal increase of less than 2 per cent. But in spite of that the excise collections should not have seen such a steep decline. Central excise, even after the launch of the GST, accounts for about 12 per cent of the government’s gross tax collections. Any decline of this nature should set alarm bells ringing in the government.

Interestingly, customs duty collections grew by over 20 per cent, beating the projected rate of 18 per cent. But the share of customs duty in total gross tax collections is as low as about 6 per cent. Therefore, any such increase in customs duty collections in the first four months is unlikely to help the government meet its tax revenue target at the end of the year.



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