

Andhra CM, Don't Kill Off Amaravati

It's a model of urbanisation that must succeed

It is welcome that Andhra Pradesh chief minister YS Jaganmohan Reddy has shown some flexibility on his original plan to scrap 21 power purchase agreements for renewable energy entered into by the AP government with wind and solar energy producers when the state's chief minister was N Chandrababu Naidu. The government now plans to negotiate the tariffs down. However, the uncertainty created by Jagan Reddy's ambivalence on Amaravati, the new city under construction, as the state's new capital continues unabated. And it stands to damage the Indian economy far beyond Andhra Pradesh. Reddy should appreciate that political rivalry should not be at the expense of hurting the reputation of the state and the nation as a reliable destination for investment.

If Amaravati fails to be built, a major casualty would be the conflict-free model of releasing farmland for urbanisation deployed for the town's construction, that of farmers handing over their land in return for an annuity and a proportion of the land so surrendered to the town project being returned as an urban parcel, worth a great deal more than the original farmland. While Amaravati is not the first place to use this method of land pooling, it is by far the biggest such project, the town covering 270 sq km. An adequate supply of urban space is a pre-requisite for the growth of industry and modern services, which alone can propel India's growth to double-digit levels. As new jobs and incomes are created in industry and services, people would move from village to town to take them up and provide ancillary services. If half of India is to become urban over the next 15-20 years, that would mean an additional urban population of 20 crore. They cannot crowd into existing towns. New cities must come up, as hubs of India's growth. Amaravati represents such a hub. To kill it to settle political scores would be an unparalleled act of irresponsibility.

The new chief minister must show up his rival by excelling him in envisioning prosperity and realising it, not by scuttling the good work that is already underway.

Fog Over Brexit — Not Quite a Disaster

Brexit is in a shambles, the British government under Prime Minister Boris Johnson is in a minority, his suspension of Parliament is under legal challenge and fresh elections or a second referendum could even override the decision to leave the EU. Johnson's pledge to leave the EU on October 31, even if without a deal, has been blocked, via a new law passed by Parliament just days before it was prorogued for five weeks. The UK Parliament has also voted against the government's proposal for immediate elections.

PM Johnson has 49 days to explore several options, none of them promising. He can persuade the EU to work out a new deal, in the face of European refusal to renegotiate. He can push his objections to the Irish backstop, but has no definite option to prevent the undoing of the Good Friday agreement that put the Troubles behind Ireland and England. He could revert to the Theresa May deal, but Parliament had rejected it, as had he. The final and most likely option is that Johnson seeks an extension of Article 50, paving the way for a general election. Despite the uncertainties, it is now clear that Britain will not exit the EU without a deal.

In June 2016, nearly 52% of those who voted in the referendum voted to leave the EU, goaded, chiefly, by immigration and the perceived threat to British culture. It was a manifestation of the inequalities and insecurities created by globalisation, trade, free movement of people and technology, and resented by those who felt that they had been left behind. Irrespective of Brexit, there is urgent need to begin to address this core issue of inequality — this is true both of Britain and other countries — if the world is to prevent a slide to insularity at a time when there is a greater need for global collaboration.

If he had acted '80-years-young', not 32-years-too-old, he may have made it

Too Young to Dye, But Not to Get Caught

Age is not always merely a number and gender what someone 'identifies' with, at least in the unsparing eyes of law enforcement. Security officials have a regressive — if effective — tendency to look for stereotypical attributes of both in order to convince themselves of the identities of people and invariably end up catching someone out. If a 42-year-old Brazilian drug don known for his diminutive size could not fool prison authorities in Rio de Janeiro last month while trying to sneak out disguised as his teenage daughter despite a silicon face mask, a long black wig and a padded T-shirt, clearly, fooling the police is not as easy as in the movies. Unfortunately, that crucial news item must have been missed by the Gujarati electrician caught this week at the airport in New Delhi in a do-or-dye attempt to pass himself off as an octogenarian Sikh in order to get to the US.

While Jayant Patel's turban and thick spectacles were on point, black roots in his white hair, eyebrows and beard, not to mention dark hair on his arms, obviously aroused suspicion. But what did him in, most probably, was his claim that he was too feeble to stand during security check. Had he confidently acted as a robust '80-years-young' grandfather instead of a disguised 32-year-old — a Dharmendra instead of an Anupam Kher — he may well have gotten away with it.

LOUD THINKING BJP One-Party Dominance is significantly different from its Congress precursor

Today's Dominant Species



Nilanjan Mukhopadhyay

Half a century ago, the late political theorist, Rajni Kothari, began decoding the Indian political system, eventually dubbing it One-Party Dominance (OPD) or the Congress system. Despite hiccups in the late 1960s, and in the second half of the 1970s, Congress' stranglehold on the political system continued through electoral means. Although Indira Gandhi aspired democratic endorsement, she often strayed from democratic processes, even undermining them — an extreme instance being the imposition of the Emergency.

The era of the OPD or Congress system ended with the party's defeat in 1989, triggering the start of the period of a multi-party system. Socialist leader Madhu Limaye likened this phase to the period in Mughal history after Aurangzeb's demise, when minor players became badshahs, the Centre lost its hold and satraps emerged. From 1998 onward, India transitioned to becoming a bipolar polity, with Congress and BJP emerging as the two poles around which smaller parties flocked and revolved.

Excess as Success

This was less the result of Congress' failure in re-vitalising its organisation, and more due to BJP's success in creating a nascent political Hindu

constituency. BJP's rise was catalysed by several factors, not the least because of success in channelising a hitherto unspoken sentiment — of 'majority angst' and deeply felt resentment over minority 'appeasement' by Congress and other parties.

Yet, this sentiment was not unabashed. Instead, it was couched in the 'political correctness' of the time. As a result, it was the 'moderate' Atal Bihari Vajpayee who became prime minister, backed by extracting coalition partners.

Elections in 2014 provided a hint of the end of the coalition era and return of the OPD phase, this time with BJP as dominant party. Before declaring India's polity as the BJP System, one had to assess if 2014 had not been a flash in the pan. Scepticism stemmed from the care Narendra Modi took during the 2014 campaign to dress up the party's ideological foundation with slogans of development, change and better governance as centrepieces.

The verdict of 2019 affirmed the emergence of the BJP System in two ways. One, the tally — an almost 20% rise in vote share — demonstrated that the politics practised and vocabulary articulated since assuming power was endorsed by more people across India and in new territories than in 2014. Two, the entire leadership, Prime Minister Modi downward, is no longer diffident about ideology. It no longer feels the need to camouflage its commitment to religious nationalism and obfuscate it with the relatively fuzziest idea of cultural nationalism.

For instance, Modi's assertion earlier this week, that it was unfortunate that some people get irked with words like 'Om' and 'gaaye' (cow), was unambiguously politico-religious — made from the official platform of the



Let a... one flower bloom

launch of the National Animal Disease Control Programme. This enables the PM to incessantly consolidate the political constituency and shore up the new consensus. The tactic suggests the realisation that although he was able to conduct a paradigm shift in people's thinking, enabling them to be upfront about their (majoritarian) cultural and religious beliefs, there seems to be a growing need to discredit dissent or disagreement.

Wave to a Tsunami

Since 2014, BJP conveyed the message that at least a symbolic embrace of cultural and religious symbols of minorities is not really necessary. If ever any conversation with, say, Bihar chief minister Nitish Kumar veers on this subject, Modi has the last word: this is New India. No longer is it necessary to alternate between tit and topt, the former is suffice.

The initial months of Modi Administration 2.0 demonstrate that BJP's imprint is so dominant that rivals are either crossing over to join the party, or are working within the ideological framework set by BJP and its leaders. Parties still opposing BJP find it tough to argue against the perceived push towards arming the State with powers that are deemed

'controversial' by many.

It is ironic that GoI's enthusiastic campaign to celebrate Mohandas Karamchand Gandhi's 150th birth anniversary is being conducted exactly a century after the Mahatma created the grounds for India's first mass agitation — the Non-Cooperation Movement — by launching a satyagraha against the draconian Rowlatt Act.

The ease with which the government has secured the passage of contentious legislations that have been part of BJP's core agenda tells the story of the Opposition's ineffectiveness. Much of the popular support for these laws stems from a BJP-fostered majoritarian impatience with the notion of 'unity in diversity' and the eagerness for unitarism.

In the old Congress OPD, the ruling party was challenged from the 'outside' by other parties. In the BJP OPD, no counter-narrative exists, as we watch the withering of the national opposition. After the 'victory' of instant triple talaq and Article 370, BJP is unlikely to abandon other core promises it had made. As of now, any challenge to single party dominance can come only from 'below' — the states. And only if the Opposition sheds its obsession with Modi.

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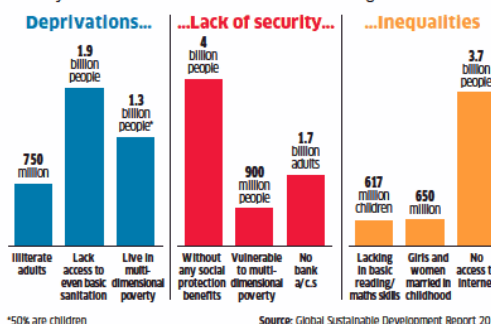
WIT & WISDOM

"The most terrifying thing any woman can say to me is, 'Notice anything different?'"

Mike Vanatta
Comedian

Falling Short

The present model of development has delivered prosperity to hundreds of millions, but it also has led to continuing poverty and other deprivations, according to a new UN report by an independent group of scientists. To change course, a transformation is needed in the way we live. A look at where the world is falling short...



Bell Curves ■ R Prasad



It was 'An Inquiry into the Nature and Causes of the Wealth of Nations' that led me to this tax haven!

Chat Room

Give Us Better Infrastructure

Apropos the Edit, 'Tough Love, Dear State Governments' (Sep 12), a few states expressing lack of gumption to implement the new traffic fine provisions is imprudent. People making a beeline for RTO offices and pollution control centres proves the effectiveness of new deterring fines. So, state governments need to rally behind the Centre's move. Further, equally important is that government provides pothole-free roads, functional traffic signals, well-lit roads, pavements free of encroachments, enough tow-away vehicles to clear roads of broken-down vehicles and a robust drainage system to avert waterlogging. It should be ensured that nobody is harassed in the guise of following rules.

DEEPAK SINGHAL
Noida

Voters' Lives are More Important

This refers to 'Tough Love, Dear State Governments'. The Centre increased fines for traffic violations and offences as a deterrent measure to improve safety on the roads and prevent loss of lives and property in road accidents. If the states are given the freedom to dilute the fines, what signal are they giving to the citizens? What is the use of the amended Motor Vehicles Act that has lost its teeth even before it had a chance to take a strong bite? Since when have vote banks become more important than the lives of voters?

AMITA JADHAV
Kolkata

Why Fair is Fowl and Fowl is Fair

Apropos the Edit, 'Going Fowl in the UK Over Divorce With EU' (Sep 11), given that it is unlikely that the Brits would chicken out or the Americans eat crow, it is certain that the fowl is going to ruffle some feathers. It has become hard to determine who exactly is playing foul. However, whoever is the victor, the ordinary citizen is like the bird that gets served at the table of politicians, fried, grilled or cooked.

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AUTOMOBILE SALES

All Hands on the Wheel



Murad Ali Balg

Earlier this week, finance minister Nirmala Sitharaman had stated that aggregator taxis like Uber and Ola have been mainly responsible for the steep drop in personal vehicle sales during the last 10 months. She is partly correct because they have definitely had an impact.

People need mobility, not cars and motorbikes. Many people have sold off their second car, and many who had fancy cars now use taxis that can be hailed over a quick mobile call instead of facing the hassle of parking their cars, not to mention risking getting the expensive paint scratched.

They also know that the cost of any car entails much more than the price of fuel. There is the interest on their car payment instalments, the cost of tied-up capital, registration, parking fees, cost of servicing, cleaning, to say nothing of traffic fines, et al. Aggregator taxis are also inexpensive and increasingly reliable.

The drop in automobile sales figures, however, only shows the drop in wholesale from the manufacturers to their dealers, but not the retail sales. Reports about the slump have made many dealers refuse to accept or pay for the stocks that are being forced on them.

The retail sales data is not available, but a source in Maruti Suzuki, for example, stated that though August wholesales were down by 31%, the retail sales had only dropped by 16%. Bad, but not as bad as the wholesale figures from the Society of Indian Automobile Manufacturers (SIAM) being circulated suggest. Even so, however, a steady drop over 10 months clearly shows that there is a serious problem.

One serious problem is that there has also been a flood of new launches — of the MG Hector, Kia Seltos, Hyundai Venue, Renault Triber and Maruti XL6 — with huge advance bookings. Excellent new products with very attractive pricing have tempted over 2,00,000 customers to pay out advances for them. As the average monthly retail sales are normally about 1,70,000 units, the impact is huge, and these exciting new offerings also make the old models seem dated.

Many buyers wanting to replace their old cars are also finding that the prices of used cars have dropped so badly that they prefer to watch and wait. All modern cars are very reliable, so buyers are also in no hurry to change them. Gone are the days where an affluent family had one car for the father, another for the mother and one or more for the children.

There have been some reports that the move to accelerate BS6 (Bharat Stage 6) emission norms has had a negative effect. These do affect manufacturers and their future plans, but not customers, who know that whatever they buy today will remain street legal for years. Customers are also not troubled by reports about auto electrification. That scenario is still far in the future.

The doom and gloom in the auto world has also been influenced by the huge drop in the sales of trucks. The introduction of the goods and services tax (GST) and the removal of sales tax barriers have undoubtedly made truck movement much quicker from one end of the country to another. The same stock of commercial vehicles can now move about 40% more goods. This is a very good development indeed.

Sitharaman had also stated that her Ministry was soon going to reduce the GST rates to stimulate car sales. While the industry will always welcome any tax reduction, a trimming of, say, 5% is unlikely to revive the market. For an average customer, this will mean reducing the purchase price from, say, ₹8 lakh to ₹7.6 lakh. That is not nearly enough.

What might be much more effective would be to offer a three-month tax holiday of, say, 10% from October to December. This period will bridge the festive season, and many buyers would rush to dealers before the holiday season ends. Hesitant state governments are also likely to agree to a temporary tax holiday more readily than to a permanent change in the tax structure.

The writer is an auto analyst



Stuck in another kind of traffic

Citings

Policy Design

ARVIND SUBRAMANIAN

The demonetisation experiment speaks to the more pervasive and fascinating global phenomenon of 'What's the Matter with Kansas?', the title of a famous book by American historian Thomas Frank. This book explores the apparent paradox of citizens voting against their economic self-interest.

For example, why do poor white males vote for the Republican Party and President Donald Trump when the policy agenda either has no benefits to them (tax cuts for the rich) or is positively harmful (undermining Obamacare and welfare benefits more broadly)?... I offer the controversial hypothesis that imposing large costs on a wide cross-section of people, unexpected and unintentional though it may have been, could actually have been indispensable to achieve political success.

The canonical political economy model of trade explains the persistence of protectionism in terms of an imbalance between the gainers and losers. Protection — which raises domestic prices — helps a few domestic producers a lot while diffusing the harm among many consumers, each of whom loses only a little... This is not entirely convincing. After all, the collateral damage was, in fact, avoidable...

Understanding the political economy of demonetisation may require us, therefore, to confront one overlooked possibility — that adversely impacting the many, far from being a bug, could perhaps have been a feature of the policy action.

From 'Of Counsel: The Challenges of the Modi-Jaitley Economy'

