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Why not a states income tax?



MARGINAL UTILITY TCA SRINIVASA-RAGHAVAN

reform. So think about this: Why is income tax levied only by the Centre in India while in many other federations the constituent units also levy it?

Is there a reason which is unique to the Indian federation? Do the political conditions of 1950 still persist? Why is it not in the Concurrent List of the Constitution when so many other lesser things are in it? How can the Constitution empower states in every possible way but this?

Excellencies, I think the time has come to debate this. And the only person who can initiate the debate is the Prime Minister. After all, who has suffered more as a Chief Minister at the hands of a vindictive central government? It even led him to abolish the Planning Commission.

Not just that: Who is better at breaking set ways of thinking? Mr Modi has a strong track record on this, especially when there are immediate political gains to be made.

Moreover, he now has the strength in Parliament to push through a Constitutional Amendment that no state can possibly object to. They could stop complaining about the Centre and fashion their own economic destinies. It would be the ultimate empowering of the states.

The one caveat I have is that the states income tax should not exceed 10 per cent and the central income tax should not exceed 30 per cent. All cess and surcharges should go.

India's 'normal' tax rate — the part of income legally taken by the sovereign — has been between 40 and 55 per cent for almost 800 years. Yes. But for the most part it has been between 45 and 50 per cent.

This rate of 'extraction' is why India has remained economically weak. It simply must be lowered. It's not just governments that need money to spend. Citizens do, too.

Outmoded system

To begin with, a state income tax could be optional. Those who opt for it would lose a proportionate amount from all central devolutions. For those who don't want it, the current system could continue for as long as they don't opt in.

If there are strong political reasons, the economic reasons are even more powerful. Consider the situation now. The last Finance Commission raised the devolution to the states by 10 per cent to 42 per cent. This meant 42 per cent of all tax revenue would go to the states.

But that high number could not be reached. If it had, the Centre would have been hard put to pay even its salaries. Now it seems it wants to go back to around 33 per cent. (As a result it's become a supplicant before the Commission which is not nice.)

In any case, no one can say what the correct percentage is — 30, 35, 38, 42? Like the 'desirable' level of fiscal deficit of 3 per cent, it's an arbitrary number. And like all arbitrary things, it makes no logical sense. It's a "I think that's fair" kind of judgement.

Indeed, that semi-subjective approach is the most important reason we have been tinkering with the financial devolution levels for the last quarter of a century.

Look back at the contortions the last four Finance Commissions have performed and you will be left speechless at the sheer pointlessness of it.

Hence my much simpler suggestion: Let the states decide how much they need and how much they can raise. They will, I would bet, very quickly impose a tax on agricultural incomes

A Thackeray contests an election

Aaditya could get his party to bargain with the BJP for the position of Deputy CM. Father Uddhav will continue as party chief. This way, the Sena will be both in the government and out of it



LAIN PULITI

ADITI PHADNIS

That is about to change now with Aaditya being fielded as a candidate for the middle classdominated Worli constituency in Mumbai. Both — the choice of candidate and the constituency — are important, for they tell us about the future political trajectory of the Shiv Sena.

But first, a word about the youngest Thackeray. He is a poet and photographer. His

first book of poems, *My Thoughts in White & Black*, was published in 2007. The following year, at 17, he turned lyricist and released a private album "Ummeed", a music video, with all the eight songs written by him. Not only did singers like Suresh Wadkar, Shankar Mahadevan, Kailash Kher and Sunidhi Chauhan lend their voice to the songs, but grandfather Bal Thackeray ensured its inauguration by Amitabh Bachchan (in his speech at the event, the 82-year old Bal Thackeray had a word of somewhat inexplicable advice for his grandson: "Don't drive rashly — but it isn't good to be too slow either!"). Lata Mangeshkar made it a point to visit Matoshree to congratulate the young poet for his achievement. Soon after, Aaditya became the chief of the

party's youth wing, the Yuva Sena (his gmail address includes the word "tiger"). His first political "success" was when the Yuva Sena under his leadership forced Mumbai University to withdraw Canada-based Rohinton Mistry's book *Such a Long Journey* from its syllabus. What precisely was his objection to the book? "The book is utterly racist and conveys unwarranted opinions," he told *BS* then, in an interview. "Think of yourself as a parent. How would you allow your child to study such a text? Think of yourself as a teacher or a student. How will you read that book in the classroom? You can criticise a policy. But abusive language and things put out of context are things that cannot remain on a curriculum. Are we going to teach students racist literature or something that can get them jobs?"

That's the nub of his politics - ensuring people have jobs. This is not such a marked change from 1966 when recognising that Mumbai was offering everyone jobs but Maharashtrians, Bal Thackeray launched Marmik, a weekly magazine that was fashioned on the British publication Punch and poked fun at Gujarati Seths, south Indian clerks, Udupi hotel owners and Congress politicians among others, creating enduring steorotypes. Shiv Sena flowed from the thoughts in Marmik but soon it was forced to review its ideological position. To expand its base from Mumbai to embrace rapidly emerging business hubs like Kolhapur and Nagpur, it needed to show it had bigger concerns. Hindutva with a more aggressive, interventionist twist became its new creed, with opposition to cricket matches in which Pakistanis were allowed to play, marking its coming of political age.

Others — like Chhagan Bhujbal and Manohar Joshi — contested elections but not the Thackeray family.

Uddhav Thackeray was made working president and then president after his father died, but still staved out of electoral contests. The Sena broke into two with the smaller section siding with cousin Raj. Uddhav concentrated on defining strategy - which basically consisted of playing the role of the Bharatiya Janata Party (BJP's) loyal opposition. But he had earned his spurs by showing that the Sena was needed in rural Maharashtra and was not just an urban phenomenon backed by its dominance of the Brihanmumbai Municipal Corporation. In the 2009 Assembly elections, of a total of 44 seats, the party was able to win 26 from rural, 15 from urban and three from semi-urban constituencies. In 2014, the party's seat count rose to 63 with 34 seats in rural, 23 in urban and six in semi-urban areas.

So why is Aaditya Thackeray contesting the elections instead of managing them?

He himself has never hidden his ambition of becoming an MLA. And like many before, the party seems to think that it is better to join the government and influence it from within instead of wasting time criticising it. From available information it appears eventually Aaditya Thackeray could get his party to bargain with the BJP for the position of deputy chief minister. Uddhav will continue to be party chief. This way, the Sena will be both in the government and out of it. Can there be a sweeter spot?

The man who never had a boss

Kumra tells **Shyamal Majumdar** why consultancy is a dream job and how luck has played a big role in his personal life and career

cKinsey has been a top draw at the placement campuses of premier business schools all over the world

for the quality jobs it offers, but Gautam Kumra's motivation to join the consultancy giant had more to do with "quantity" rather than quality. He didn't have much idea about what a consultancy job was, but what he did know was that McKinsey was offering three times more than the next highest salary on offer for the batch of 1993 at IIM Ahmedabad. "For a bureaucrat's son from a middle class

background, that was a big deal," he says with a smile, as we settle down at a corner table of the near-empty Baoshuan restaurant at the rooftop of The Oberoi, New Delhi. The Chinese restaurant has been renamed (it was Taipan earlier) with a new décor and refreshed menu. Kumra is clearly not a foodie and had no preference for either the venue or any specific restaurant.

McKinsey, he says, was new to India at that time, having set up office in 1992, and very few students knew what consultancy was all about. But he almost didn't get the job — the shortlist after the interview didn't have his name and a disappointed Kumra decided he would opt for the summer job he had already been offered at Citibank. The IIM placement cell, however, advised him to wait till the evening before taking a final decision. It was an unusual advice, but it paid off as McKinsey sent a fresh list in the evening with the name of two more candidates. Kumra was one of them. He considers himself extremely lucky to have listened to the placement cell's advice as accepting the Citi offer would have meant opting out of the placement process and not being able to accept the McKinsey job. Apart from the terrific exposure the job has given him over the past 26 years, there is one vital reason why he has remained a one-company man. "I have never had a boss. Isn't that a good enough reason to stay on in any company?" Kumra says, taking a sip of the fresh lime soda. That, he says, is the same for everybody at McKinsey. "Apart from a loose hierarchy, we are pretty much on our own. People at McKinsey can pick their own sectors, their own clients, pick their location. That's what a caring meritocracy is all about. For example, I can work from anywhere in the world. Which

company CEO has this kind of freedom? In any case, no boss has ever breathed down my neck." he adds.

No boss perhaps needed to do that, as Kumra must have delivered results hugely a reason why he became a partner within six years (a rarity those days) and steadily rose up the ladder to become one of the youngest managing partners at the India office. What has helped keep him going is his belief in the Vedanta philosophy that talks about doing things out of "mindfulness and awareness".

Kumra wants to get the ordering of food out of the way and accepts the steward's suggestion for a "dimsum lunch" which has a fixed menu — an assortment of dimsums, soup, noodles, fried rice and two chicken dishes. We share the spread; it proves quite a mouthful.

He may be a firm believer in luck playing a critical role in his life and gives several examples of that from his career, but the Mckinsey boss, who makes time for a class on *Bhagavad Gita* every Sunday, surely follows at least one advice of Lord Krishna — "never cease to do thy work". So while the boss-less existence is a dream, it has also meant incredibly hard work and back-breaking travelling. He has already been to more than 50 countries ("after a point of time, every city started looking the same") and has hardly stayed at home for a full week.

Such hard work meant not being able to



a role in this as well," he says.

People like him seem to have more than 24 hours a day. In the midst of his super-busy schedule, he still has enough time for the McKinsey Leadership Institute (MLI) of which he is a founder, and for convening the CEO Bower Forum in Asia. Both these forums provide a platform for peer-learning amongst CEOs. Indian companies have a huge shortage of leaders but don't review the leadership pipeline often enough, he says. At the Bower forum, the idea is to bring a few CEOs together so that they can engage with their peers in a confidential setting. The purpose is to have deep-dive discussions on challenges specific to their roles, and even personal issues. One of the insights from this leadership development work is that while a CEO learns from his own experience, they need to learn from the experience of others who have the experience of having been there and done that.

The steward comes with dessert but Kumra skips it, as he is in a hurry. One of the main reasons he has stuck on to a consultant's job is because it involves helping companies in varied fields make the transition from being good to great. "A lot of consultants do shift to a CEO's job after some time because he can control the execution of a plan. We don't enjoy that power. But the range of experience that we have and the value addition we bring in is simply unmatched," Kumra says. He proceeds to give examples of the wide variety of companies he has worked with and the difference he has made in each of them.

At the end of the day, Kumra says, the only person who matters in any company is the chief executive officer. If he is convinced about the benefits a consultant will bring in, the rest s easy. The CEO has to be able to at transformation "story" — a big-picture ambition that captures the imagination internally. He would love to write a book on leadership (what else?) once he hangs up his boots, but that obviously would have to wait as he wants to continue in this "fantastic" job for at least five years. The reason is simple: The daily job of a consultant may not be glamorous to the outside world, but it's quite fulfilling when you step back and realise what you have accomplished, the relationships you have formed, what you have learned, and the assistance you have hopefully provided.

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Objections

There are two major objections to a states income tax. One relates to the weaker states and the other to administrative capacity.

The weaker states issue is one of central responsibility towards states that can't pay for themselves yet. The administrative capacity argument is about the ability of states — weak and strong — to collect tax.

Both are strong arguments but that's why we need to start a debate because if this logic were accepted, we would never have a space programme and a nuclear programme. You have to decide on the objective and then build capacity.

We are thus left with just one major economic objection: How will the economically weaker states fare? This should be the sole problem to solve.

The rest is just being argumentative.

meet too many women (courtesy the skewed male-female ratio at McKinsey at that time — something, he says, has been corrected to a great extent now), but Kumra says luck made sure he didn't have to wait for too long. He is still excited enough to recount the story: He was busy at work on a New Year's eve when a friend dragged him out of office to a small gettogether where he happened to meet Sujata Makkar, who worked at Citibank. That "lucky" meeting led to a few more and they got married at the age of 25. The couple has two children — son is studying in the US and daughter in the UK.

Kumra keeps bringing back the "luck factor" in his life. This played an important role in getting into IIM-A as well. Though he got scholarships from many US universities after completing his engineering from Indian



ILLUSTRATION BY BINAY SINHA

Institute of Technology, Delhi, he didn't want to do research and opted for management education. He got interview calls from all the three top IIMs, but wasn't shortlisted by Bangalore and Calcutta. Ahmedabad, however, selected him. "This was unusual. I don't know how this happened, but luck surely had

His book is already in the works, it seems – at least in his mind.

It's almost two hours since we started our conversation, and Kumra signals he has to rush off to his next meeting in some other corner of the same hotel.

Lessons from a slum clean-up



PEOPLE LIKE THEM GEETANJALI KRISHNA

ix months ago, Govardhanpurwa, a slum in Kanpur city, was a festering dump. Flies and other vectors abounded. Waterborne diseases were rampant. The story of how all this changed affirms something I've suspected for a while: Developing community ties has far-reaching and often unexpected social gains. This is especially true in urban slums, which aren't as well-knit as villages that are still bound in a web of traditional relationships. Slum dwellers will often tell you that they're too busy fighting for everyday survival develop neighbourly ties. to Govardhanpurwa was no different until WaterAid India and their field partner Shramik Bharti set up a group of six locals to operate a water pump twice a day and manage their own water supply. "During these meetings, I met Raju Valmiki," said Raja Ram. "We realised

we'd played together as children, lived a stone's throw away and still didn't know each other at all," he added. Perhaps working together to successfully resolve their water supply issue made the men aware of the power of collective action. During one of their water meetings, they digressed from the issue at hand to talk about the filth in their slum that was exacerbated by the lack of a door-to-door garbage collection service. "It seemed ironic that a neighbourhood inhabited by Dalits who cleaned other people's homes and streets didn't have anyone to pick their own waste," said Valmiki, a burly 45-year-old in a bright red shirt. When the group asked me to start a paid waste collection service here, I jumped at the idea," he added.

Since November 2018, Valmiki has been taking his collection cart issued by the municipality to the 50 households in Govardhanpurwa. "I segregate the waste, sell whatever can be recycled to the local kabadiwala and throw the rest in the municipality dump," said he. Every day, he is able to sell recyclables for ₹10-20. "This has become my pocket money," he grins. Valimiki charges every household he services ₹30 per month. He's happy to have the extra income. "I earn about ₹6,500 sweeping people's homes," he says adding, "but the ₹1,500 I earn from cleaning up my own neighbourhood seems much more precious."

Valmiki, Ram and their water committee friends now want to compost the wet waste. Ram says the compost could be used to develop small vegetable patches within the slum. His wife had planted sponge gourd in an unused bucket last year and it gave them a good supply of green vegetables he might not have been able to afford. "Though we were supposed to simply manage the water pump, we now want to take up other projects to make our slum a better place," he says.

Today, thanks to the group's initiative, Govardhanpurwa has clean drains, spotless alleys and dustbins outside every home. "Everyone is appreciative of how nice our neighbourhood looks now," says Valmiki. "And this gives me hope that things might get better as time goes." It would be simplistic to attribute this transformation entirely to the formation of the water management committee in Govardhanpurwa, but one cannot deny that much of this transformation occurred only after a couple of neighbours became friends.

You are what you flaunt



PEOPLE LIKE US KISHORE SINGH

used to think my son had better sense than most but in recent months he is showing signs of turning into a vulgarian. Ever since international luxury brands found a toehold in India, they have been knocking at the doors of those like us who have proved immune to their blandishments or so I thought. But, now, I see my son sporting a flashy Gucci buckle on his belt that he wears to work at the High Court. The Apple wristwatch, a gift from his bride, he never takes off, though there is little that is appealing about its face or form; as for its function, I am no expert on such matters,

but it seems odd to see my son address his wrist instead of making conversation like all of us. His shirts bear logos at the pocket and cuff that I do not recognise, but they seem no better, or worse, than the rest of my humbler wardrobe.

When the downpour this week caught everyone by surprise, it also ruined my daughter's Coach shoes that she had worn to work. The damp has caused mold and fungus. Nor have her various Bottega Veneta, Longchamp or Michael Kors bags improved from their frequent commuting on the metro. But I have been banned from making remarks about her propensity to acquire more bags, such observations being deemed too old-worldly for a daughter who claims to earn her own keep.

My son's bride is a poster girl for brands but what she loves most of all is dressing up for parties. She'd quit working, if she could, to spend the day modelling her own outfits, many of which require large boxes in which to store them. Now that the festive season is here, she's taken to airing them more frequently. In the car, should we be travelling together, she commands most space to avoid crushing her outfit, while the rest of us are squashed into a corner.

The children have tried to "improve" me too. I'm routinely gifted T-shirts that I hardly wear, not least because their buttons come off, the stitching unravels, or the washing lady discolours them with bleach just as irreverently as any other homegrown brand. My daughter gave me a Tod's belt that I was forced to wear when the previous one gave way. Only, if I wear the belt with black trousers, my son says it is brown; if I wear it with brown pants, my daughter says it is black. I think it is Tod's way of making its customers buy more belts in shades varying between black and brown, but I'm sticking to the one I have even though my colleagues in office wonder why I fail to match the colour of my belt with the colour of my shoes

From clothes to house furnishings is but a small step. If you are what you eat, then eating off Versace dinner plates is tres-mode. A lady we know customises linen but her bedsheets cost more than my chauffeur's salary. My daughter-in-law would like nothing more than to emulate her aunt who has Louis Vuitton clothes bins in her bathroom. We got her a willow one instead but I don't think she likes it very much. Why else would she leave it outside her bedroom door every night?

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Weekend Business Standard

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WEEKEND RUMINATIONS

T N NINAN

No virtue in stipulating 3%

he time may have come to bid goodbye to the law on fiscal responsibility, because it is doing more harm than good. No deficit target set under the law has been met in any year, except perhaps once in 2007-08. Target years for reaching the desired fiscal deficit (3 per cent of gross domestic product) have been pushed back constantly, or "paused". The compounding problem is that, when finance ministers have been unable to get even close to the targets, they have fudged the books and pushed the fiscal burden on to hapless public-sector entities, whose treasuries have been raided in more ways than one in the effort to close the reported gap in the government's numbers. One result is that oil companies that were once cash-rich are left with little cash of their own to invest.

Other tactics to show adherence to targets under the fiscal responsibility law have included not paying bills (note the minister's recent instruction that overdue payments to small and medium enterprises should be made immediately - which implicitly leaves out the rest though their money too is overdue). Alternatively, tax officials under pressure to deliver revenue numbers have coerced companies into paying up excess tax in the closing month of the year, on the promise of a refund early in the next year. And yet, despite such tactics, the deficit numbers have remained stubbornly out of line. Anyone in doubt about the real picture should read what the Comptroller and Auditor General told the Finance Commission: That the Central deficit was not 3.46 per cent in 2017-18 as Parliament has been told, but a much higher 5.85 per cent.

Why do we make finance ministers go into such contortions, to tell us that near-6 per cent is 3.5 per cent? Why not encourage more open and full accounting so that the country knows the real picture? Under-reporting the real deficit encourages key people in governments to believe that they can afford to spend more, when in reality they don't have that cushion. Correctly reported numbers, with their warning lights flashing, would (hopefully) encourage a greater sense of fiscal responsibility. If nothing else, private-sector economists, rating agencies, and the like who today parrot the government's version of the deficit would tune into a very different reality – and build market pressure for fiscal correction.

Dispensing with the fiscal responsibility law by itself is not enough, for fudging went on even before such a law existed. Scrapping the law has to be combined with other changes to make fudging difficult. One is to move away from the current, archaic system of cash accounting that most countries have given up. Cash accounting leaves out of the books the expenditure that the government has undertaken but not yet paid for (e.g. payments to infrastructure companies for work done on roads, bridges, and the like). Most companies account in their books for the money owed to creditors; the government does not, and gets away with it by following the cash-accounting method. The other, complementary step would be to provide a fuller account of public-sector borrowings. This would bring into the open the expenditure that the government currently pushes on to entities it owns - like the Food Corporation, which has borrowed from small-savings funds to pay for the food subsidy that should have been funded through the Budget.

Even if these changes don't deliver credible budgeting, there is no great virtue in stipulating that 3 per cent is the desired level of fiscal deficit at the Centre. As TCA Srinivasa-Raghavan has argued more than once in these pages, that number was simply copied from the European figure, although the economic context for India is radically different from that in Europe. It is entirely plausible, for instance, that the Indian system with its faster economic growth rate can cope quite well on all the usual macro-economic indicators with a higher deficit - even if not one that is quite as high as what exists now. Such questions cannot begin to get addressed in a world of real numbers till everyone knows the truth about the deficit.



Money has lost its morale

The economic crisis can be fixed only with genuine, brave reform. If this Modi govt can't do it, it will confirm fears that it has lost its mojo

t isn't an expression our political class likes to use often, but there is talk every now and then to unleash the animal spirits of Indian entrepreneurship. Manmohan Singh and later Jaswant Singh (as Atal Bihari Vajpayee's finance minister) are the only leaders we'd recall having appealed to these instincts from corporate India. This Modi government too has tried lately to do so, in its own words.

In his Independence Day speech, Prime Minister Narendra Modi did some reaching out to India's "wealth creators". He said his government respected them and acknowledged that they also made an essential contribution to nation-building.

It was among the strongest endorsements of private enterprise by any Indian prime minister from the Red Fort. This has been followed by much other corrective action: Big corporate tax cuts, capital gains tax changes, and the reversal of that hare-brained idea to criminalise what some inspector might see as non-compliance by a company of its obligation to spend 2 per cent of its

profits "correctly" on Corporate Social Responsibility.

Similarly, the egregious tax hit on capital gains of foreign portfolio investors (FPIs) was also withdrawn. For a risk-loving government that never reversed a decision once taken, never blinked once it had decided to jump out of the back of the plane, without even bothering to check the parachute, these retreats were a new experience.

No one in the government would admit to it, but it's made to realise for

the first time that there was something even the incredible personal popularity of the prime minister and the clout of his government riding its second majority cannot control: The markets. The judiciary, media, Election Commission, even Pakistan can all be dealt with by a government of such power en passant. But the market isn't an animal political power can tame.

For the past many weeks now, Finance Minister Nirmala Sitharaman has been reaching out to the business community. She has unravelled some of the most problematic parts of her Budget on a press

conference-by-press conference basis. The finance secretary, who was probably key to the drafting of this "bad news" Budget, was moved out and has since sought premature retirement. Since the Budget, the RBI has carried out two quick rate cuts and generally spoken what the financial press describes as "dovish" language.

Yet, there is little improvement in the mood, no uptick. No upbeat, smiling faces even at the World Economic Forum's India Economic Summit. Animal spirits we are talking about? They are visible for sure. Just that the animal isn't what you wish it to be: A crouching tiger with its tail up. It is more like an abandoned puppy cowering with its tail between its legs.

f you don't like this metaphor, or abhor dogs, I can fall back on something more conventional, like a demoralised army. You can give one the best weapons, but if the generals are already defeated in their mind, they can't rally their troops into battle, forget winning a war.

This, the complete loss of morale - even much self-esteem — is the reason this flood of good news that the government has been unleashing. almost every Friday, is going down the drain. The corporate tax break was a straight ₹1.45 trillion impetus to Indian business. It led to a couple of days' rally on the markets. Since then, howev-

er, the larger reality has returned. From the post-tax cut peak on September 24, companies just on the BSE's Sensex have lost a fresh ₹2.53 trillion. Other reversals and reforms,

including interest rate cuts, have vanished in the same spate of pessimism. The markets are not particularly in good odour globally in the post-Piketty world. But you have to acknowledge that however wayward, imperfect, or unequal they may be, they aren't afraid of speaking truth to power. India's markets are fearlessly doing what many in the greater and more hallowed institutions like the media and even the judiciary are no longer willing to do: Give Modi government the bad news

Last quarter's growth rate of 5 per cent looked a

shocker, but only to the innocent. Anybody keeping track of the economy would have expected this. It is difficult to see it improving anytime soon unless something drastic is done. What that can be, no one knows right now. Because if they did, at least among the circles where our fate is decided, the RBI would not have cut this year's growth forecast to 6.1 per cent from 6.9.

Entrepreneurship is driven not so much by profits or tax cuts today, but by optimism for tomorrow. That has been declining, especially since the first Modi government broke its own economic momentum with demonetisation

Businesses are no different from ordinary people and families. When they see a bleak future, they fold all fresh incomes, savings, and bonanzas like the recent tax cuts into the family's savings for when times get worse. It is only if they are upbeat that they invest in enterprise, and take risks.

Again, companies' capital expenditure data from CMIE will tell you the story. It was ₹3.03 trillion in the quarter ended December 2018, came down to ₹2.66 trillion by March this year, and then to a mere ₹84,000 crore and ₹99,000 crore in subsequent quarters. Again, the CMIE data shows the latest quarter's sales growth for all companies has gone marginally in the negative to -1 per cent. The last time this happened was in the worst quarter of the Lehman crisis in 2008. This is not a slowdown. This is a rout.

 $\mathbf{Y}^{\mathrm{ou}\,\mathrm{can\,cut}}$ and dice this data any which way, and the story is the same. All economic indicators, with no exception, are down and have been so for some time. You can blame some of it on the global environment. But that is only a small part. The roots of the problem are here.

When almost all, including those like Mukesh Ambani, are sitting on cash, or de-leveraging and derisking, repaying their loans and waiting, it is unfair to expect the rest to begin investing. If you ask India's finest business leaders why, they now tell you, in whispers of course, that the mood has never been so glum after 1991, and their self-esteem this low.

This comes not just with the weaponisation of tax authorities, with exaggerated and unfettered new powers of raids or arrest, but also the treatment of bad loans. If everyone, from an ordinary individual borrower to a sincere entrepreneur genuinely struggling in a bad business cycle and a loan-thief are treated with equal suspicion and disdain, it leaves no incentive for entrepreneurs to borrow and for bankers to lend.

All business involves risk, a prominent and respected corporate leader tells me, but if I think even a 30-day delay in the repayment of my borrowing will have the bank publishing my name on the list of defaulters and referring me to the National Company Law Tribunal (NCLT) for bankruptcy, why would I risk it? "If a person falls sick, do you send him to the hospital or the shamshan ghat? This bankruptcy process under the latest RBI rules is the last rites of Indian entrepreneurship and a populist and revenge-seeking state has built us this shamshan ghat called NCLT."

The crisis in the economy is now beyond the pale of tax cuts, incentives, pep-talk, and promises. Some of these might work, but only fleetingly, like a shot of steroid or insulin. India's economy now needs some genuine, brave reform. Maybe beginning with a big and genuine privatisation of PSUs. If a Modi government won't do so even in its sixth year, it will only vindicate those who believe it has lost its reform mojo and is just an election-winning machine where growth is a desirable objective, but not essential.

By Special Arrangement with ThePrint

Gandhi rewound and revised

anniversary on January 30 next ideologically is another. As fellow year, with each MP expected to cover 150 km in 15 days, and collec- Gandhi legacy, Prime Minister tively, 500,000 km. Luckily, no log book will be kept.

As political agitprop or art Between visits to Sabarmati exhibit, Gandhi-mania also hit the Ashram and Raj Ghat, a flurry of high spots globally. External Affairs tweets flowed, declaring rural India Minister S Jaishankar presented a defecation-free (and in the process Gandhi bust to US House of employing 7.5 million people) and

eradicate waste, one reason the plague of human scavenging persists. Last month the Supreme Gujarati and chief flag-waver of the Court hit out at governments on the subject: "In no country are peo-Narendra Modi's exertions on ple sent to gas chambers to die. October 2 were unparalleled. Every month four to five persons are losing their lives in manual scavenging

Reduced 150 years later to a Noakhali, a Muslim-majority rural composite of pamphlets and porce- district (now in Bangladesh) where lain dolls. Gandhi is often a challenging and contradictory figure. Although personally frugal in the extreme — an upturned Lifebuoy soap-crate served as his desk, no stub of pencil was ever thrown away - he needed, and courted, the support of moneyed men to promote his causes. The Sarabhais and Birlas were at his feet, Later G D Birla said. "He was certainly a bania ... He sent me detailed accounts of everything he spent or was spent for him ... but he had no business sense ... I never agreed with his notions on economics. Gandhiji believed in a medieval economic system ... but he was hallucinating."

millions of toilets alone cannot sionately engaged in championing two ideas till his last breath: Hindu-Muslim unity and upholding the rights of the marginalised. This is the polar opposite of the divisive politics that has gripped the country today.

In October 1946, despite dire warnings that he should not venture there, he insisted on going to the communal bloodletting of

Cricket vs climate change EYE CULTURE

SUHIT K SEN

t a time when the potentially disastrous impacts of climate Change, especially its subset alarming to note that climate hangedenying fundamentalists are not only hunkering down, they are also coming to power in many countries. US President Donald Trump leads the pack. Given this situation, it is extremely heartening to see a sportsperson of great eminence batting for actions against the kind of ongoing changes to the climate that could literally destroy human civilisation as we know it. Ian Chappell, the all-time Australian great, both as batsman and captain, has signposted the dangers climate change poses to humanity and, especially, the longest format of the game of cricket in a cogently argued opinion piece in ESPNCricinfo.com. the cricket website.

on, the shift to day-night schedules is not a panacea. Health concerns will be met somewhat, but not other concerns. The game will remain water-intensive and water-stressed cities may well find it difficult to sustain cricket. Also, daynight matches require the consumpglobal warming, are becoming all the tion of a huge amount of electricity. In clearer with every passing day, it is India around 65 per cent of electricity is produced thermally. The massive vol umes of greenhouse gases emitted as a result of this - worldwide as well, of course - are a significant contributor to global warming and climate change. Chappell does not, however, confine himself to the impact of climate change on cricket. His comments take in a much wider swathe of concerns when he writes, "... any disastrous effects on a sport will pale into insignificance when compared with the potential of climate change to inflict devastation on the planet". Chappell specifically flags the rise in sea levels and increasing incidence of "ferocious weather events like devastating tornadoes and cyclones" It is unfortunate that over a quarter of a century since climate change was first flagged multilaterally as one of the key threats to human survival, at the environment conference in Rio de Janeiro, progress on reducing carbon emissions has been agonisingly slow. North America, especially the US, has historically been averse to admitting that such a thing as climate change exists, in the first place. After the Rio conference, then US President George Bush had infamously said that the American way of life was not up for negotiation. Almost a quarter of a century later, the US first signed up to a global pact on combating climate change when then US President Barack Obama signed the Paris Agreement. In 2017, the US president decided to withdraw from it. It is abundantly clear that without the participation of the US, efforts to combat climate change and mitigate its baneful effects will not be effective. Australia's commitment to fighting climate change has hardly been stellar, either. It was one of the few countries to hold out against ratifying the Kyoto Protocol. the first multilateral agree ment on fighting climate change drawn up in the wake of the Rio conference and the adoption of the United Nations Framework Convention on Climate Change, effectively superseded by the Paris Agreement, though it finally signed up to the international effort to reduce emissions. Perhaps that kind of thing was at the back of Chappell's mind when he wrote, "The effects on climate change ... and the solutions rely on decisive action being taken by some annoyingly reticent politicians". Obstructive, he may as well have added.

SHEKHAR GUPTA

NATIONAL INTEREST

AL FRESCO

SUNIL SETH

n the waves of Gandhi worship that have engulfed us on his 150th birth anniversary, few have paused to consider what the Father of the Nation and Apostle of Non-Violence might have made of the celebrations and commemorations as birthday presents — or how and where he might have chosen to spend October 2?

Apart from the usual minting of coins and stamps, crocodile queues of schoolchildren hustled to samadhis, walkathons, and garbage clearing by politicians and release of prisoners, some of the memorialising is far-fetched. For instance, the BJP announced a four-month Gandhi marathon till his death

Representatives Speaker Nancy Pelosi while a Spanish manufacturer of luxury porcelain was retailing Gandhi figures online. At one of the world's most prestigious art shows, the Venice Biennale, Gandhi-inspired artworks are the theme at the 6.000 square foot India Pavilion. Interspersed with Nandalal Bose's panels commissioned by Gandhi for the Haripura Congress session in 1938 are contemporary installations including a mural of wooden clogs by G R Iranna, glass cabinets filled with broken limbs by Atul Dodiya (whose forbears come from Porbandar), and Jitish Kallat's

by Gandhi to Hitler. Repackaging and shape-shifting Gandhi as a totem of realpolitik, diplomatic nicety, and avant garde tradeoff is one thing - revising him

also eradicating the single use of plastic by 2022.

Unquestionably, Mr Modi's Swachh Bharat Mission (SBM) and toilet-building venture have brought hygiene and sanitation into sharp national focus. But Gandhi's intent and practice on bodily hygiene and latrine-cleaning were quite different. At Sevagram in Wardha, he not only insisted that ashramites clean the toilets themselves but he would "trudge along the tracks sweeping up the excrement that the villagers had left around like dogs. even by the well". It was his way of teaching villagers the lesson he most wanted them to learn — "that video projection of a letter written human and animal filth was the main cause of disease throughout

the land". But he toiled at turning the waste into farm compost, not an employment opportunity. Critics of SBM have noted that

Despite his many oddities such as bodily tests of serial, dietary privations or pushing his homegrown remedies on all and sundry (he sent pots of curd to Sir Stafford Cripps daily when he developed stomach trouble in Delhi), he remained pas-

Partition was severe. "I am prepared for any eventuality," he wrote prophetically it turned out — to a cousin. "Do or Die' has to be put to the test here. 'Do' here means Hindus and Mussalmans should learn to live together in peace and amity. Otherwise, I should die in the attempt."

Were he around today, the unreconstructed Gandhi would probably have been repulsed, and perhaps a little amused (for he had a sense of humour), at the plethora of feel-good promotions floated in his name. But of where he would have preferred to spend his birthday there is little doubt. He could have only been in one of two places: in Assam and Bengal to assure Muslims under threat of losing their citizenship — or in Kashmir to bring succour to the prevailing bitterness in the Valley.

Chappell says that global warming will create weather conditions that will jeopardise players' (and spectators' and umpires', though Chappell didn't mention them) health in the short term by making them more vulnerable to heat stroke and. in the long term, to skin cancer, a condition he has battled for a long time.

It's not just a question of health, Chappell pointed out. It's also a question of the use of water. A lot of it is needed to prepare and maintain cricket pitches. In water-stressed cities, and Chappell points to the example of Cape Town, where water had to be rationed a few years ago, such non-essential use of water could become difficult in future.

Chappell quotes from a report, 'Game Changer", prepared by the Climate Coalition in 2018, which says that "of all the major pitch sports, cricket will be the hardest hit by climate change". One supposes both because of its water-intensity and the long hours many people directly or indirectly involved have to spend out in the open.

Part of this challenge posed to the game has already been met by altering traditional schedules. T20 cricket is played almost entirely after sundown, while significant parts of one-day internationals are played under lights. But Test cricket continues to be played predominantly in natural light, though the beginnings have been made for playing them partially after sunset. "It's no wonder day-night matches are considered crucial to Test cricket's future,' Chappell writes. Commercial considerations, in the shape of attracting people to the ground after working hours, doubtless play a major role in this ongo ing recalibration.

While Chappell's concerns are spot

Is it Gandhi, Gandhism or Gandhigiri? from non-violence or *ahimsa* to Mont Blanc launched a ₹14 lakh ply tried in my own way to apply



YES, BUT... SANDEEP GOYAL

andhi. Bapu. The Mahatma. The Father of the Nation. When one thinks of him, the image that comes most readily to mind is that of a benign, fragile old man clad in a loincloth, spinning khadi on a charkha. The mention of Gandhi also evokes the imagery of his three monkeys sitting together ... one covering his eyes, one covering his ears and the last covering his mouth, representing the proverb "see no evil, hear no evil, speak no evil."

But the Mahatma is actually the amalgam of many more parts, concepts and principles, that range satva the truth; from swadeshi selfsufficiency to non-cooperation and civil disobedience expressed as satyagraha; from self-rule swaraj to sarvodaya, the economic model meant for the greatest good of the greatest numbers; to the abolition of untouchability and the renomenclaturising of dalits as harijans; from fasts for self purification to hunger strikes for political

protest; from the 250 miles Dandi Salt March in 1930 to the Quit India movement in 1942: from ram-raiva to brahmacharva. Gandhi was and remains a human brand far more evolved and far more layered than any other during his time, and ever since.

As the nation celebrates his 150th birthday, Gandhi despite having been assassinated more than 70 vears ago, is still everywhere ... He is on our currency notes, reminding us day in and day out that he is part of us and our daily lives; he has a major road or a colony named after him in almost every major town and city; every political party and every

fountain pen commemorating him. Apple created an ad around him 20 years back. And the 1982 Richard Attenborough epic, Gandhi, is one of the most watched biopics ever produced. Gandhi is an evergreen brand. A brand that continues to grow despite the man himself having left our midst so long ago. Legends invariably give birth to one or another "ism". But as

Sankhdher wrote in his MM political tome, "Gandhism is not a systematic position in metaphysics or in political philosophy. Rather, it is a political creed, an economic doctrine, a religious outlook, a moral precept, and especially, a humanitarian worldview. It is an effort not to systematise wisdom but to transform society and is based on an undving faith in the goodness of human nature." But Gandhi himself repudiated the very thought and notion of "Gandhism" saying, "There is no such thing as 'Gandhism', and I do not want to leave any sect after me. I do not claim to have originated any new leader swears by him and his ideals. principle or doctrine. I have sim-

the eternal truths to our daily life and problems ... The opinions I have formed and the conclusions I have arrived at are not final. I may change them tomorrow. I have nothing new to teach the world. Truth and nonviolence are as old as the hills." So. Gandhism is at best an intellectual interpretation of the man, his philosophy, his beliefs, his faith and his thinking. And today seems more an anachronism that crucifies and caricaturises the Bapu, than defines him.

Which really brings us to Gandhigiri, the neologism most colloquially used today to express the idea of Gandhi, The Mahatma as the man of the masses. That the very concept of Gandhigiri was born in 2006 in a Bollywood movie Lage Raho Munna Bhai in itself signals the mass acceptance of this version of Gandhi as being the most current, the most contemporary and perhaps also the most comprehendible. It also signals that the context of Gandhi has changed, in fact has got re-interpreted to mean the same stuff he talked about and

championed, but in a framework that is more relevant today. For a gangster who only understood October 2 to be a Dry Day, Gandhigiri went on to take on a new meaning as he addressed and combatted his life situations in conversations with a Gandhi only he could see and converse with. The gangster and Gandhi together helped rebrand The Mahatma by simplifying his teachings and showing everyone how the Father of the Nation is still relevant and can make a real difference in our daily lives.

Brand Gandhi is today almost ubiquitous and universally well known. But Gandhism, his philosophy and his credo are largely forgotten. Today, it is Gandhigiri, the pop icon avatar of the legend that is the most potent manifestation of both the man and his teachings. Send roses, not spread hate, a la Munnabhai. Wear khadi. It has swag. Even The Complete Man is tom-toming it. Brand Gandhi is transforming. Reformatting and reorienting itself for the next 150 years. Slowly, but surely. Slowly, but significantly. Slowly, but sagaciously.

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