

Media and the rise of the right wing

Is the right wing-enabled spurt in liberal media's audience and revenue numbers for real?



MEDIA SCOPE

VANITA KOHLI-KHANDEKAR

As Donald Trump and his right-wing ilk across the world managed to undo the damage that the internet had wreaked on news media?

CNN, say reports, could end up making a \$100 million over and above what it makes in a typical election year in 2016. In the last quarter of the same year *The New York Times* added 276,000 dig-

ital-only news subscribers taking the total (for digital) to 1.85 million. This was more than all of 2013 and 2014 and its best quarter since digital went pay in 2011. That seems to be happening in the UK, US and parts of Europe. For newspapers, magazines and cable networks (especially liberal ones) struggling with falling audiences and revenues, the rise of the right-wing seems like good news.

Cambridge University's John Naughton is an authority on the evolution of the internet and its impact on society, with several books and many research projects to his name. "I'm sceptical about the label 'liberal,'" he says. "Most of the US news outlets now labelled 'liberal' supported the Iraq war. In the short run outbreaks of right-wing populism may give a temporary boost to mainstream media. Longer term, the decline will probably continue."

George Brock, professor of journalism, City University, London, agrees. "A year of

political shocks in Europe and the US has boosted some liberal media in some places — for example *The New York Times*," he says. "But it is almost impossible to generalise. And it is likely to be temporary: When the unthinkable occurs, many consumers of news turn to established media (often liberal in outlook) to find out more."

Last year, in a piece for *The Guardian*, Naughton traced the impact of the internet on democratic politics. The first-order effects were seen earlier on in the millennium when the Net was used to raise money from thousands of small donors or to mobilise voters a la Barack Obama. The second-order effects were its use to mobilise large-scale collective action, as in the Arab Spring. He quotes Helen Margetts of the Oxford Internet Institute and her colleagues from their book, *Political Turbulence: How Social Media Shape Collective Action*. It argues that the internet lowered the transaction costs for engaging in political activity creating a

new kind of "turbulent", fast-moving, unpredictable politics. Trump has leveraged this turbulence to make the internet a powerful enabler of post-truth politics.

India just leapfrogged to the turbulent phase without the preamble. It doesn't take much to publish or air any kind of lie about a person or threaten rape and violence. The Net has become a potent and dangerous tool for political parties in India. Read Swati Chaturvedi's *I am a Troll*, for a sense of how social media is harnessed by the ruling party. But it hasn't led to more business for media in India. Newspaper, TV or internet growth numbers are as usual. What it has done is polarise debate hugely, bringing ugliness into drawing rooms and TV studios.

However, the only countries where this ugliness pushes people to react by using their wallets to support liberal media are the ones where the institutional framework that supports free speech is strong. This is true for the US

and parts of Europe. So in spite of a president who treats mainstream media as "opposition", large parts of the US media do their jobs without fear. Watch John Oliver or Stephen Colbert lampoon Trump mercilessly on prime-time television. As an Indian journalist you wonder why there haven't been income tax raids, enforcement directorate notices, and accusations of anti-nationalism or some muck-raking through unnamed intelligence sources, against them. Either that or self-censorship to the point of abject alignment with the state's point of view, which a portion of the Indian media is now showing.

Brock says of the Western world: "Most of the boosted circulations are in countries where the risk of screws being turned is slight. But if the euro were to collapse, the migration crisis were to get worse and terrorist attacks were to continue, then political complexions would change. That can mean authoritarian governments, which do not enjoy liberal journalism, could act on the dislike — as it occurred in Turkey."

The growth spurt, it seems, is a flash in the pan.

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CHINESE WHISPERS



Amarinder's Cabinet conundrum

Congress' Chief Minister-designate for Punjab, Amarinder Singh (pictured), is finding it difficult to choose his Cabinet ministers. He wants to get the caste-religion-region combination right and is under pressure to induct Assembly members, who have won their seats several times in the past and wield strong influence in their respective constituencies. Initially, Singh would pick seven to eight ministers instead of the maximum 18. He has also announced some austerity measures, including asking would-be Assembly members to cut their guest lists for the swearing-in ceremony to reduce cost.



UP's bellwether

The Kasganj constituency in Uttar Pradesh has kept its 43-year-old record intact. Since 1974, the constituency has returned the candidate from a party that goes on to form the government. And it has got it right for the past 11 Assembly elections. No other constituency in the state has this distinction. In the 2017 elections, Devendra Singh Rajput, a Bharatiya Janata Party candidate, won from Kasganj. He defeated his nearest rival, Hasrat Ullah Sherwani of the Samajwadi Party, by more than 52,000 votes.

More surveillance at North Block

If you are in North Block, beware, a camera may be watching you. Closed-circuit surveillance camera systems are being fitted in every corridor on every floor of North Block. For anyone visiting a bureaucrat, it will be impossible to escape the monitoring by these cameras. Till about a week back, surveillance cameras could be seen only at the many exits and entrances of North Block.

Time to get serious about digital transformation

It shouldn't be just another technology initiative, rather an overhaul that will impact all sectors of business



GANESH NATARAJAN

Digital India has been one of the key themes of the Narendra Modi government and amid the euphoria in the party over the huge electoral gains last week, there is a case to be made for the digital transformation occurring in the country to take some credit for the strong wave in favour of the Prime Minister and his team at the Centre and in the states. The digital push provided by demonetisation is just one positive outcome of the move to a digital nation. Today, the electorate is more aware, empowered by a new-found digital literacy and information as well as money available at their fingertips through smart mobile apps. They are willing and able to take decisions based on data before casting their vote. Digital India is transforming the nation in many ways, possibly more than what was earlier envisaged.

While the nation may be progressing well on the digital path, digital transformation in its truest sense continues to evade most business corporations, which have seen the opportunity loom large but still use a few mobile applications as a surrogate for true digital transformation. To address digital transformation comprehensively and to use design thinking to optimise employee and partner journeys with digital touch points, CEOs and strategists will have to recognise and address both the customer demand pull and the technology push

that is necessitating a fundamental rethink of the way business is done. They have to undertake a re-architecting exercise to drive higher performance metrics for the firm.

Addressing the technology push is the first and easy part of any digital transformation agenda. Technology refresh, which most organisations are undertaking to move away from clunky legacy systems towards nimbler stakeholder-centric business applications and digital platforms, is being made possible by cloud computing, ubiquitous connectivity and the opportunity to migrate from ownership models to "everything as a service". The power of big data and analytics coupled with deep learning and artificial intelligence to discern patterns emerging from the analysis of previous transactions and to develop true predictive and prescriptive ideas by modelling and stakeholder behaviour prediction is key to the future digital firm. To make stakeholder journeys more productive, firms need to aggressively deploy sensors and the Internet of Things, expand mobile technology, and the use of social networks and natural user interfaces for "always on" access to company services.

What kind of demand pull can digital thinkers envisage or generate for the future? We will look at this sectorally in future columns, but in a generic sense, the three main themes to be explored would be productivity improvement for internal stakeholders, experience enhancement for customers and partners, and completely new business models that can dramatically change revenue models and numbers, and reach out to unserved or underserved customers. At a global level, research by McKinsey & Company shows that 15 to 25 per cent of traditional technology spend can be saved by going digital; 80 per cent of new spend in the next few years of this decade will be on digital.

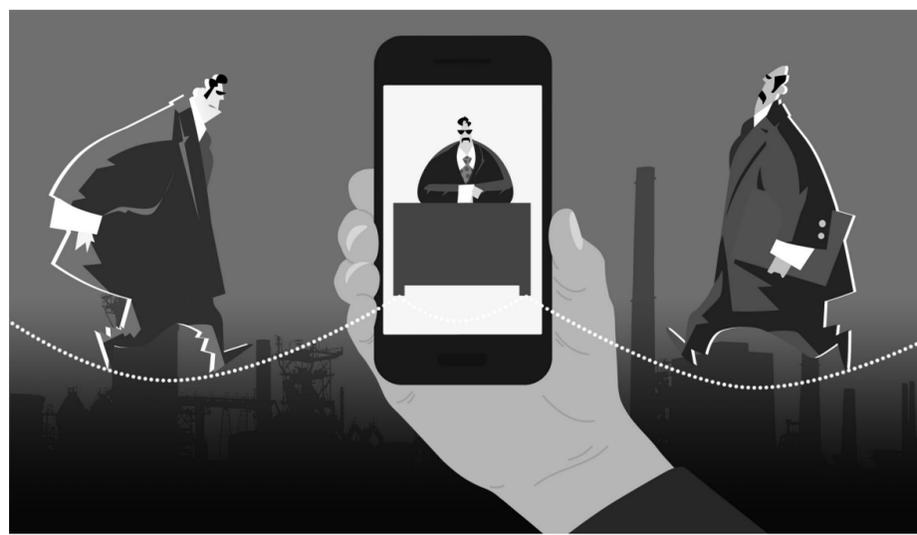


ILLUSTRATION: BINAY SINHA

How can one embark on a truly transformational digital programme? The first rule in the book that has not been written yet is to ensure that digital is not seen as just one more technology initiative but as a transformation that will impact business processes, stakeholder experiences, organisation culture and, potentially, organisation structure if it has to be effective. The second idea, potentially contradictory to the first, is to not address digital transformation as a "silver bullet" idea but to take on a number of initiatives on the technology, process, culture and strategy fronts. A digital programme office is recommended that keeps the big picture in mind and balances the attention paid to modernising systems of record, building new systems of insight and creating opportunities for

radical systems of engagement. Positioning this digital programme management office at the right level in the organisation and arming them with the authority and the teams to come up with big ideas, validate quickly and move on to implementation is an area worth spending substantial time on in the early stage of the transformation effort. Of course, large doses of top management intervention and culture change exercises may be necessary at various points along the journey.

Finally, back to the national digital agenda, which will accelerate the pull for both businesses and government to reach out to every citizen and customise solutions for each individual using digital technology. In Pune, where the smart city agenda is driving change at a rapid pace, the digital agen-

da is being played out through digital literacy for every household, skills lighthouses enabled by digital technologies in every ward of the city and digitisation of every citizen facing process and engagement mechanisms provided for every section of the city's population through easy digital access. This initiative, being delivered on the ground through a collaboration between the corporation, city corporate entities, national and local foundations, academic institutions and civil society, needs to be replicated at the national level for true transformation to take place and for a true Digital India to emerge. The fruits of that labour will be truly sweet.

The author is chairman, 5F World and NASSCOM Foundation

INSIGHT

Waiting for India Inc's Uber moment

Awareness is the first step towards building a safe and gender-sensitive workplace

ISHANI ROY

In a blog, Susan Fowler, a former engineer at Uber, described in surreal detail, a series of events over a period of one year that included verbal harassment from co-workers, sexual harassment from her manager and complicit behaviour from the company's human resource leaders. Fowler's experience prompted Uber to appoint the former US attorney general to investigate the case. Within days, the head of engineering and star hire Amit Singhal resigned for not divulging harassment charges at his former employer, Google.

Every day brings a new story of a dysfunctional work culture at the world's most valuable companies.

As a diversity consultant, I must confess that Indian companies are no better. In some instances, India Inc is a generation behind in matters of gender fairness. The very public case of TERI and R K Pachauri showed that these attitudes are entrenched even in larger organisations.

Small or medium-sized businesses are even worse. A recent report highlighted instances of physical abuse towards women at a large textile mill in Tamil Nadu. Despite employing thousands of workers, the leadership had not put any checks in place for complaints.

Safety at the workplace matters. The consequences of ignoring this issue can be damaging. Just one blog has left the \$70-billion Uber reeling. In the last two weeks, the #deleteuber campaign has led to thousands of customers uninstalling the app.

Yet, business leaders frequently



In a survey, Ficci and EY found that 36 per cent of Indian companies and 25 per cent of multinational corporations in India are not compliant with the Prevention of Sexual Harassment of Women at Workplace Act

PHOTO: ISTOCK

associate gender equality as part of corporate social responsibility, something only bigger multinationals can afford.

The Prevention of Sexual Harassment of Women at Workplace Act (PoSH) came into existence in 2013. Well-intentioned as the law is, its implementation has been patchy.

In a survey, Ficci and EY found that 36 per cent of Indian companies and 25 per cent of multinational corporations in India are not compliant with this Act. Even when companies form PoSH committees, parochial attitudes persist. It's not uncommon to hear a business leader gripe that women use the law to their advantage or that it's an unnecessary overhead for a business.

This narrow view of the PoSH Act goes against the push for diversity in the business world. The basis of ensuring

more women in the workplace is a safe and equitable work culture. It is here that corporate India can make the most impact if it is serious about correcting the gender imbalance.

Since the Uber episode came into the public eye, we launched a systematic campaign to ask Indian companies on their plans for training PoSH committees. The most frequent answer was: "What is PoSH?"

There is a silver lining, though — businesses are taking this issue seriously. From a company with 11 people to a conglomerate with over 5,000 employees, many businesses have come forward to learn more, to train their employees, to do right.

Awareness is the first step towards building a safe workplace.

The author is founder, Serein Inc, a diversity and inclusion consulting company

LETTERS

The right skill set

Sanjay Kumar Singh's personal finance article, "Reskill to survive" (March 14), offers useful tips for those who by chance or by choice took up a career in the information technology sector.

Online skill development or on-the-job reskilling has become a necessary ingredient of human resource management. It goes beyond survival skills of employees or shop-floor requirements of industries.

In 2013, when Raghuram Rajan talked about a career horizon of 10 years for professionals, many did not take him seriously. India was yet to gauge the implications of an employee's skills becoming obsolete if he or she stayed in the same workplace for a long period. People thought postmen, station masters, clerks, teachers, hotel managers and political leaders would remain where they were for decades. But jobs nowadays need current skills, whether one is a farmer or a scientist.

The significance of on-the-job reskilling, acquiring new skills for migration to other work areas and learning more to prepare oneself for taking on higher responsibilities needs to be understood in the right spirit by policymakers, employers and educational institutions (from primary schools to business schools).

As employment prospects improve with economic development, need-based skill development has to be integrated with education policy and HR practices of government and private sector organisations. Else, there would be a shortage of the right people for the right jobs sooner than we can imagine.

MG Warriar Mumbai

Daunting task ahead

After engineering a win in the Uttar Pradesh Assembly elections, the Bharatiya Janata Party can afford to pursue its pet reforms across various



Modi had been assisting BJP President Amit Shah and party candidates. It's time others in the party ensured that Modi gets on with the development agenda, unencumbered.

R Narayanan Ghaziabad

Insulated from blame

The veracity of the age-old maxim, "success has many fathers, but failure is an orphan" has once again been proved by the statements of the Congress leadership in the aftermath of the Assembly poll results in the five states.

Advisers to the Congress high command have been made to bear the cross for the losses suffered, insulating the top echelons from blame.

The credit for India's victory in the 1965 and 1971 wars was given to the prime ministers at those times, but the responsibility for the defeat against China in the 1962 war was placed squarely on the shoulders of then defence minister V K Krishna Menon. Jawaharlal Nehru, the prime minister then, did not have to share the burden.

Arun Malankar Mumbai

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HAMBONE

BY MIKE FLANAGAN



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Now, back to business

This is Mr Modi's best chance for substantive reform

Prime Minister Narendra Modi's stunning performance in the recent Assembly elections puts him in the sweet spot to pursue economic and administrative reforms that can substantively boost investments and jobs, his core poll promise since 2014. Several of these reforms are low-hanging fruit, and others may be tougher and demand a longer term agenda. Both varieties are, however, within the realm of possibility in the afterglow of the Bharatiya Janata Party's (BJP's) huge popular mandate in India's most populous state Uttar Pradesh and the fact that it now controls more than half the country's state legislatures, on its own or through alliances.

Among the critical agenda items in the first category is a policy that does away with the absurd distinctions between "single brand" and "multi-brand" retailing and the niggling conditions like local sourcing attached to foreign direct investment (FDI) in the sector. A 2015 Budget statement to allow FDI in food retailing is yet to take concrete policy shape. Over 2015 and 2016, the government made headway by setting out rules for e-commerce, allowing for 100 per cent FDI, but this, too, was hedged by restrictions that are unlikely to make this policy a game changer. The government's cautious progress on retail was partly on account of its hesitation to alienate the trader and middleman communities, hitherto a large and powerful support base for the BJP.

The election results have shown that the gamble with demonetisation has ensured that any diminution of support from this lobby has been balanced by approval from the poor, who absorbed Mr Modi's message of a blow against the rich. The transformative nature of a liberalised, comprehensive retail policy can scarcely be overstated, not just in terms of the explosion of demand for supply chain infrastructure with all its concomitant efficiencies for consumers but also in the potential to enhance agricultural incomes by directly linking farm to fork. And it is in the countryside that the potential to create jobs is larger than in the manufacturing sector, where corporations increasingly turn to automation to maximise margins.

The government has been working to improve India's rankings in the World Bank's "Doing Business" indicators. Mr Modi can go well beyond these limited metrics to tackle the critical issues that will offer domestic and international investors genuine confidence in the security and enforcement of contracts. This will involve addressing the vexed issue of reform in the police and judiciary, two institutions that scarcely inspire confidence in India, least of all in Uttar Pradesh. Granted, the pushback from these two power players will be formidable. But the power of a popular mandate suggests that even modest progress here will reap big gains for India. On agriculture-related reforms, the government will do well to revisit the Shanta Kumar Committee report on a range of issues relating to procurement, storage and distribution of grain. The committee also recommended the way to go for restructuring the Food Corporation of India, which is plagued by functional and cost inefficiencies.

Mr Modi's overwhelming mandate also presents him with an invaluable opportunity to tackle the deep-rooted problem of bad debts in state-owned banks by taking tough steps of write-downs and sell-offs, thus, kick-starting the lending cycle for industry. The job creation from this alone ought to nullify the "suit-boot ki sarkar" jibes.

The incorrect way

Congress should have been invited first in Goa, Manipur

Far from the euphoria of the Bharatiya Janata Party's (BJP's) stupendous victory in Uttar Pradesh, there has been hectic political activity in Goa and Manipur, two states where the election results threw up hung Assemblies.

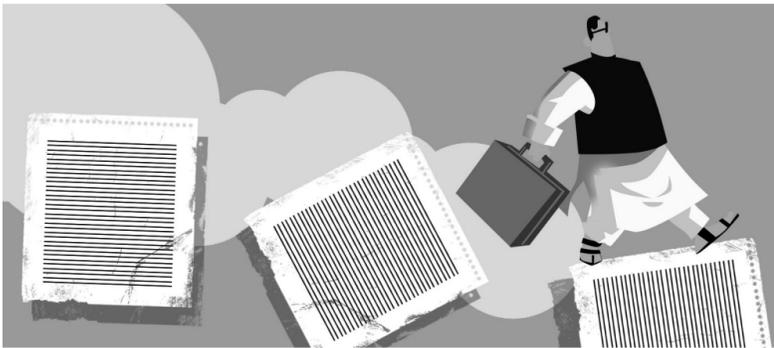
In both the states, though, it is the BJP that is forming the government, even though the Congress is the single-largest party. While Manohar Parrikar has been sworn in as Goa chief minister, Manipur's Governor Najma Heptulla has invited the BJP to form the next government. Much of the credit for this must go to the BJP brass, which moved swiftly and stitched together a coalition that it claimed had the majority, while the Congress was slow in its response in staking claim. In fact, while hearing a Congress petition challenging the decision of Goa's Governor Mridula Sinha, the Supreme Court on Tuesday held the Congress responsible for not being quick enough to demonstrate to her that it had the requisite numbers.

But it is not a pretty sight. Both state governors have evidently failed to follow the convention laid out for them in case of a hung Assembly. As a general rule, the governor is expected to invite the leader of the single-largest party or a pre-poll coalition to form the government and prove its majority in the House. In Goa, the results placed the Congress in the pole position with 17 seats out of the total 40. However, instead of approaching the Congress, Ms Sinha appointed Parrikar of the BJP, which won 13 seats, and provided him 15 days to prove his majority. No surprise, therefore, that the Supreme Court on Tuesday reduced the floor test deadline to two days. The BJP, however, seems unperturbed by this advancement of the date because it is now the party in government and claims to have the support of 22 MLAs, one more than the majority mark, including three each of the Goa Forward Party and the Maharashtra Gomantak Party as well as three Independents.

Numerous previous episodes in India's electoral history suggest that a decision to ignore the single-largest party could well lead to horse trading. To be sure, there are ways to justify what is happening. For one, it could be argued that the governor is supposed to consider the question of stability of the government. As such, if she is presented with a post-poll coalition with written letters from the smaller parties, she might feel obliged to bypass conventions. Moreover, this is not the first time when this convention has been flouted. In the past, there have been episodes, both at the Centre and in states, often enough involving the Congress as the beneficiary of such discretion. For instance, in 1998 then President K R Narayanan did not approach Atal Bihari Vajpayee first despite the BJP emerging as the single-largest party after the general elections. Similarly, the Congress exploited post-poll alliances to form governments in Maharashtra in 1999 and Karnataka in 2004 despite not being the single-largest party.

However, none of these incidents provide legitimacy to a wrong precedent. If the Congress does not have the support in either House, it would have become evident soon enough. But offering it opportunity first would have saved the country this sordid drama.

ILLUSTRATION BY BINAY SINHA



Comparing Union Budgets

There are tell-tale signs of slide in the quality of Budgets of the current administration

Union Budgets are forgotten quickly. Nevertheless, it should be interesting to test by comparison and contrast this government's Budgets thus far. Were they consistent; or did they intensify or abandon earlier goals, shifting policy stance? With this in mind, I consider selected aspects from the 2015-16, 2016-17, and 2017-18 Union Budgets.

The primary concerns in Budget 2015-16 were to address negative aspects of taxation introduced during 2009-12 that had led domestic and foreign investment decisions away from Indian shores. Various retrospective amendments had sunk India into a global depth as a poor place to invest. The government that had coined the term, "tax terrorism" when in opposition, rightly made announcements in the tax area that were reassuring and promising, including that the recommendations of the Tax Administration Reform Commission (TARC) would be implemented during the year.

Budget 2016-17 shifted focus, claiming high GDP growth despite a crash in exports and zero growth in the non-financial non-oil sector. It was also declared that farmers' incomes would be doubled in five years, an impossibility. Yet there was no statement about the earlier promised Minimum Support Price (MSP) of 50 per cent above cost. In essence, the benign objective of a shift towards the farmer did not stand on firm ground. Another aspect was the allocation of ₹25,000 crore for the recapitalisation of banks.

Budget 2017-18 was noteworthy in two respects, first for the undependability of GDP statistics with its sectoral components drawing attention of several com-

mentators and, second, for the non-mention of tax administration reform, thus, revealing a fundamental shift in policy stance. Indeed, soon thereafter, a stringent search and seizure approach to tax collection was announced, standing apart from TARC's internationally benchmarked approach and recommendations. Further, claims made about GDP growth failed to reflect the economic environment reported in the Economic Survey. Third, the government allocated ₹10,000 crore for bank recapitalisation, an amount lower than the previous year and less than calculations of needs. It must be recognised, however, that justification for recapitalisation is not easy given the profile of defaulters being heavily weighted towards a newly emerged, unrepresentatively wealthy, economically unproductive and socially exploitative class. Rather, the question should be, why do banks lend to them and why should they not bear the cost themselves.

On one hand, there is uncertainty in statistics; on the other, there is perfect matching of target with turnout of the fiscal deficit — 3.9 per cent of GDP in 2015-16, 3.5 per cent in 2016-17, and set at 3.2 per cent in 2017-18. Also interesting are the higher turnouts than budgeted of tax/GDP ratios: 10.3 per cent budgeted versus 10.8 per cent turnout in 2015-16, 10.8 per cent versus 11.3 per cent in 2016-17, and set again at 11.3 per cent in 2017-18.

Coming to income tax structure, Budget 2015-16 promised a reduction in headline corporate income tax (CIT) rate to 25 per cent (in consonance with higher expected revenue from GST) and abolition of wealth tax that yielded insignificant revenue. Focus on tax



PARTHASARATHI SHOME

Why UP verdict may not spur reforms

Expectations from the Narendra Modi government have skyrocketed after the massive electoral mandate the Bharatiya Janata Party (BJP) has received at the just-concluded Assembly elections in India's largest and politically most influential state, Uttar Pradesh. Business leaders are now hoping that the pace of economic reforms would gain fresh momentum. Many stock market players are optimistic of the benchmark indices rising to new highs.

Economic analysts, too, are predicting that a politically emboldened government at the Centre would soon roll out the much-delayed labour reforms, fulfil the promise of privatising at least the unviable public sector undertakings, address the twin balance sheet problems of indebted infrastructure companies and the rising non-performing assets of banks, and perhaps revive efforts to solve the knotty issue of amending the land acquisition law. With these reforms and the progress already made in passing the bankruptcy law as well as meeting the new deadline of July 1 for rolling out the goods and services tax (GST), the Indian economy, according to such analysts, may well be on a long road of sustained recovery.

All this is understandable and such expectations may well be fulfilled. But there is no harm in conducting a reality check. It, therefore, would be useful to assess if these expectations are merely outpourings of an overly optimistic industry and market players or whether these expectations are based on a correct reading of how the Modi government views the challenges of resolving problems of industry or initiating fresh reforms to improve the pace of development and growth.

If the last 30 months of the Modi government's approach to economic policy making is any indication, expectations of a sudden spurt in economic reforms after the Assembly election results appear to be grossly misplaced. This is because the BJP government has become more circumspect and defensive in its

approach to big reforms that would be seen as benefiting business. This cautious approach seems to be an outcome of the strong political resistance it faced during its early attempts at policy changes like amending the land acquisition law or allowing foreign investment in retail.

Remember that the Modi government's unsuccessful attempt at relaxing the land acquisition law had provoked the Opposition parties to label it as pro-business, which was immediately interpreted in popular political discourse as being anti-poor. The famous charge of the Congress that the Modi government was a "suit-boot ki sarkar" (a government of the rich) had visibly unnerved the Modi government. Add to this the BJP's realisation that it did not have the requisite majority in the Rajya Sabha to get important legislation passed on its own strength. And soon the party became reluctant to spend its political capital on reforms that might be used by the Opposition as an indication of its being close and friendly with big business.

Instead, it has attempted policy changes only after ensuring political consensus across party lines even though this has resulted in a relatively slow pace of reforms. This is borne out by its approach to finalising GST after accepting many compromises and changes suggested by the Opposition parties or allowing foreign investment in retail in small doses in the last few months. Almost simultaneously, the government has shifted its policy focus to rural India and the poor. The last two Budgets of the Union government are testimony to this shift. Yes, there have been many pro-industry steps, but more salient and high-profile have been the many schemes and increased outlays for rural India and the poor people. More money for toilets in villages and gas supplies to the rural poor at concessions tariffs has received greater attention than tax rationalisation for big business.

You might argue that demonetisation was a big-bang

incentives for investment in infrastructure was a positive change. However, the finance minister (FM) stated that the Direct Tax Code (DTC) was being dropped on grounds that most DTC proposals were already incorporated in the Income Tax Act. This was a tactical error since it was far from reality. By Budget 2016-17, a slide had begun with the introduction of another tax amnesty scheme and an absence of the promised CIT reduction path.

Yet Budget 2017-18 improved the tax policy stance in selected aspects comprising a reduction in the CIT rate to 25 per cent for 96 per cent of return filing companies where the other four per cent larger companies already enjoy lower effective tax rates. MAT loss carry-over was extended from 10 to 15 years thus improving the ability to even out tax payments and also enhancing MAT's acceptability. However, there were several non-salutary elements, including changing the long-term capital gains definition from three to two years, and reducing the individual income tax rate from 10 per cent to five per cent for the ₹2.5-5 lakh bracket, a popular, electorally timely gesture.

In tax policy details, Budget 2015-16 attempted to reduce uncertainty by focusing on various issues. It postponed the General Anti-Avoidance Rules (GAAR) for another two years and indicated prospective application. FM announced that the taxation of indirect transfers of India-based assets that take place abroad will be addressed by CBDT through clarificatory circular. The introduction of GST in 2016 was also announced. Yet Budget 2016-17, rather than fundamental reform, introduced distortions to make up for tax revenue loss, thus tripling Security Transaction Tax (STT) on options, giving profit-based incentives for start-ups, tinkering with rules and duties, and projecting heavy dependence on non-tax revenue to achieve the fiscal deficit target. The budgeted ₹56,000 crore from disinvestment was a target never achieved earlier. However, Budget 2017-18 undertook small corrections such as removing the taxation of indirect transfers by foreign portfolio investors.

Regarding tax administration, in Budget 2015-16, while FM mentioned that TARC recommendations would be implemented, no road map was given. In the following Budgets, little meaningful reference was made to TARC. Instead, by Budget 2017-18, no mention was made of officer training for GAAR application from April 1 in spite of earlier adverse experience with transfer pricing (TP) application by the tax department when judged internationally. And soon after, the government published new search and seizure rules that minimise taxpayer rights and basically moves distinctly away from TARC recommendations.

If broad conclusions are to be drawn, the first Budget indicated good policy intentions in tax and expenditure areas. This was followed by an observable erosion in Budget 2016-17. The worsening was somewhat corrected in the latest 2017-18 Budget. However, a shadow has appeared regarding the reliability of GDP and accompanying numbers. Perhaps somewhat relatedly, India's position has not improved during the new government in the World Bank's index of Ease of Doing Business (130/131 out of 190) or Ease of Paying Taxes (172 out of 190). Thus, if the Prime Minister's just declared 2022 Vision for the poor and middle class is to be realised, it has to seek new trajectories over and above the Union Budget process.



NEW DELHI DIARY

A K BHATTACHARYA

Aurangzeb, unreconstructed myth



BOOK REVIEW

RUDRANGSHU MUKHERJEE

A large part of the common understanding of Mughal history is dominated by what is best described as the "bad king Aurangzeb" theory of history. According to this theory, Aurangzeb, who was the Badshah from 1658 to 1707, is seen as a fanatical Muslim who through his bigoted policies brought about the downfall of the Mughal Empire. This very simplistic understanding of Mughal politics and its decline was first put forward by the historian Jadunath Sarkar and since then has been carried forward by proponents of Hindutva. But, as Audrey Truschke correctly notes, even Jawaharlal Nehru

was not free from portraying Aurangzeb in similar terms.

This theory survives in spite of more sophisticated interpretations of the Mughal Empire — its ruling apparatus and its agrarian base. From the early 1960s scholars like Nurul Hasan, Satish Chandra, Irfan Habib, Iqtidar Alam Khan, Athar Ali, Shireen Moosvi, Muzaffar Alam and Ruby Lal — to name the most important ones — have enriched the understanding of the Mughal economy and politics through their studies on the administrative system, the nobility, the various compulsions that the Emperors faced, their domestic space and of the agrarian system on which the entire imperial edifice rested. The popular understanding and imagination about the Mughal Empire persists in ignoring the findings of these outstanding scholars.

Ms Truschke tries to fill these lacunae by writing a short narrative account of Aurangzeb's reign. But this is a most

odd kind of narrative history. Since the time of Edward Gibbon historians have used the narrative form as an explanatory and an analytical device. But Ms Truschke narrates without offering any kind of explanation. To take one rather stark example, she writes, "In the second decade of his reign Aurangzeb began to alter his royal behaviour. He rolled back some of his court rituals with Hindu roots and withdrew imperial patronage from certain practices, such as music... These changes resulted in a more austere environment at Aurangzeb's court..." She offers no reasons or explanations for this shift in policy and imperial orientation. Without such an explanation her account remains woefully inadequate — in fact it does not measure up to being a history.

Similarly, no explanations are offered for Aurangzeb's momentous decision to move to the Deccan after 1679 — a journey from which he never

returned to Delhi. Yet, the writings of some of the scholars mentioned above do offer an explanatory framework. The increase in the number of *mansabdars* (Mughal bureaucrats) led to a severe shortage of *jagirs* (revenue assignments given to *mansabdars* in lieu of salaries) when the agrarian economy of North India was entering a period of crisis due to declining productivity. Aurangzeb needed more land and this was available in the Deccan. Once he was in the Deccan he encountered the prob-

lem of Maratha insurgency. Apart from quelling the Maratha rebellion in military terms, Aurangzeb also pursued a policy of winning them over by offering *jagirs*. This is one explanation for the remarkable rise in the number of *jagirdars*, especially Hindu ones, in the second half of Aurangzeb's reign. That increase only served to further increase the *jagirdari* crisis. Aurangzeb was acutely aware of this as is evident from his quip: "ek anar

sau bimar" (I have one pomegranate but a hundred patients). He was trapped in an insoluble problem the origins of which lay in the very structure and system of the Mughal Empire. Ms Truschke ignores these dimensions and writes of Aurangzeb as if he functioned in some kind of politico-economic vacuum save for the presence of certain rituals and Mughal imperial traditions. Aurangzeb was no more or less cruel than his predecessors; he was a patron of arts and letters, including Hindu ones; he recruited a large number of Hindus into his nobility and gave some of them very important rank and position; his vast network of patronage included Hindus and non-Muslim religious orders and institutions; he was a pious and a simple man who was committed to notions of justice. Ms Truschke brings out all these aspects of his reign and personality and hopes that this alone will dispel some of the myths about him.

The problem is that to dispel hard-

held myths backed by a powerful political and cultural dispensation one has to write with a little more verve than the dry-as-dust narrative that Ms Truschke provides. Most students of history would still prefer to read Sarkar on Aurangzeb for its prose even when they cannot accept the historian's interpretation. Many of the points that Ms Truschke makes were made by Zahiruddin Faruqi in his book *Aurangzeb and his Times* (1935). The book does not feature in the bibliographical essay that Ms Truschke appends to her narrative.

This is a very shallow and disappointing book on a very important subject. Aurangzeb still awaits his historian.

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AURANGZEB: THE MAN AND THE MYTH

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