

ACROSS THE AISLE



P CHIDAMBARAM

Demonetisation: Proof of the pudding

IT IS said that everybody is entitled to their opinions, but not to their facts. And the facts are here, finally.

The Reserve Bank of India published its Annual Report on August 30, 2017, the last date allowed under the law. The report confirms what many of us had said — demonetisation was the worst example of incompetent policy-making. About Rs 15,28,000 crore, by value, of demonetised notes (or 99 per cent of the total value of Rs 15,44,000 crore) have been returned to the RBI. So, the main objective of forcing people with black money to suffer losses has failed miserably.

THE ORIGINAL OBJECTIVES

We were told that Rs 4-5 lakh crore of cash will not come back into the banking system. The RBI would extinguish those liabilities on its balance sheet and pass on the windfall as dividend to the government. And everybody, except those who had hoarded black money, will live happily ever after. That fairy tale is now over.

I had cautioned that none of the original three objectives set out in the government's letter of November 7, 2016, to the RBI and in the Prime Minister's speech the next day, was likely to be achieved. *Fake currency* has surfaced, *terrorist activity* has not abated and *black money* continues to be generated and used. The objectives were unexceptionable, the chosen instrument was wrong and useless.

As the facts did not follow the original story, the story was changed repeatedly,

and the propaganda engine was turned to full throttle. Bereft of even a shred of truth, the government's propaganda is now clearly in farcical territory. The situation is beyond Orwellian. Sample these gems from the latest press release:

DISCOVERING VIRTUES

1) "The Government had expected all the SBNs (specified bank notes) to come back to the banking system to become effectively usable currency."

■ Were the old Rs 500 and Rs 1,000 notes not effectively usable currency?

2) "...the effective currency in circulation today is only 83% with full remonetisation having taken place."

■ By printing less currency, an artificial shortage has been created. Many ATMs are not functional or dispense cash only for a few hours a day.

3) "The fact that bulk of SBNs have come back to the banking system shows that the banking system and the RBI were able to effectively respond to the challenge of collecting such a large number of SBNs in a limited time."

■ It is amusing that collecting cash is touted as an achievement. Next, counting the notes in nine months will be claimed as an achievement.

4) "Since November 2016 and until the end of May 2017, a total of Rs 17,526 crore has been found as undisclosed income and Rs 1,003 crore has been seized. The investigation/scrutiny is going on."

■ What was the undisclosed income and what will be the tax revenue can be

determined only after assessment, adjudication and appeals. The government may lose many of these cases. The final number may be much smaller.

5) "The government has already identified more than 37,000 shell companies which were engaged in hiding black money and hawala transactions."

■ The government can only allege these things. It is for the tax tribunals and courts to determine whether the allegations are true.

6) "The Income-Tax Directorates of Investigation have identified more than 400 benami transactions up to 23 May, 2017, and the market value of properties under attachment is more than Rs 600 crore."

■ This is a pitifully small number, given the scale of disruption caused.

7) "As a result of demonetisation of SBNs, terrorist and Naxalite financing stopped almost entirely."

■ It would be nice to see some evidence of this. Data from Jammu & Kashmir showed a rise in the numbers of incidents and casualties. The Home Minister said that 35 districts in seven states are affected by Naxalism.

8) "Digital payments have increased by 56% from 71.27 crore transactions in October 2016 to 111.45 crore transaction till the end of May 2017."

■ There is an increase in the number of digital transactions but the total value of such transactions is at about the same level as it was in November 2016.

9) "The impressive revenue collection under the GST is also partially attributa-

ble to the demonetisation drive."

■ Pray tell us, how is indirect tax collection impacted by demonetisation?

CATASTROPHIC BLOW

10) "Some people had expected a very large shock to economic growth on account of demonetisation. Their expectations have been belied."

■ Is a deceleration of 3.1 per cent not a large enough shock? Under the UPA I, the GDP growth curve was between 8 and 9 per cent. Under the UPA II and the first two years of the NDA, the curve lay between 7 and 8 per cent. Since demonetisation, quarterly growth (and hence annual growth) has settled at between 6 and 7 per cent. The CSO numbers for Q1 of 2017-18 are worse: GDP 5.7%, GVA 5.6% and manufacturing GVA 1.2%. Is that not a catastrophic blow to the economy?

There are some who believe that power creates its own justification. The rest of us are interested in objectively understanding the impact of a policy and will support it only if it benefits the economy and the people.

From demonetisation to polarisation (in UP), to chicanery (in Goa and Manipur) to child deaths (in UP and Jharkhand) to mob violence (in Haryana), we are being asked to tolerate incompetence. The NDA is practising a rare and extreme form of politics that will ultimately wreck both social harmony and the economy.

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FIFTH COLUMN



TAVLEEN SINGH

New India needs new ideas

THE HIGHWAY had potholes so huge they could have swallowed a small car. So the long, articulated lorries with MAERSK and Chevrolet written on their sides moved very, very slowly. They carried cars, containers filled with foreign goods and huge rolls of steel from a nearby factory. On either side of the highway sprouted new urban settlements, bereft of beauty or planning, and old, squalid slums whose unpaved lanes were awash with overflowing drains and rotting garbage. In a swampy marshland, people defecated in the open. The only signs of the Prime Minister's 'New India' were cellphone towers and cable TV dishes.

My reason for providing so elaborate a description is because I was driving through a state run by a BJP government. It does not matter which one because they all have one thing in common: governance systems that have changed not at all since those bad old Congress days of yore. So if Narendra Modi's dream of a 'New India' is to ever materialise, he will need to first acknowledge that his chief ministers and his own ministers have not understood that a new kind of governance is the most essential ingredient of all. The best of them speak of infrastructure projects as if they were a goal in themselves, instead of being just a means to a goal. If we need better transport systems and public services, it is to enable ordinary people to participate in the dream of building a new India.

One of the things that has prevented India from moving forward faster is that our officials continue to believe that they are servants of the government and not of the people. Once they achieve that ultimate Indian dream of somehow landing a 'government job', all they want to do is sit back and enjoy this reward. Luckily for us, our politicians need to do more because of the fear of getting thrown out at the next election, but too many of our current ministers are too inexperienced to know how to get the machinery of governance moving. They depend on officials for advice and the officials advise them to work in the same colonial way that they have, ever since our colonial masters departed.

Here I think it is important that I explain exactly what I mean when I use the word colonial in the context of governance. And, what I mean is an idea of governance that treats the needs of ordinary people with complete disdain. So if a railway line is laid or a new airport built, it is done to enhance the election prospects and ego of the minister or chief minister, not because it benefits the people. It is an idea of governance that treats the people as a 'human resource' and not as human beings.

One of the worst mistakes Rajiv Gandhi made in his quest for meaningless symbols of modernity was to change the Ministry of Education into the Ministry of Human Resource Development. It is shocking that none of the men who became prime minister after him has felt the need to rectify this mistake. If they had, we might at least have built better schools and colleges by now.

By the time you read this, the Prime Minister would probably have announced the changes in his Cabinet that we have been hearing of now for weeks. So it might be too late to suggest that he show a new idea of governance at his level by ridding us of ministries in the Government of India that have been irrelevant for decades. Delhi's corridors of power have buzzed for weeks with whispers about how Modi and Amit Shah have spent hours mulling over ministerial changes because of the dire paucity of BJP talent. This is a blessing in disguise.

The fewer ministers we have, the better it is. The fewer ministries we have the more likely we are to get 'minimum government and maximum governance', which dear Prime Minister you did promise us. My next-door columnist said to me once, when he was finance minister long ago, that you could lop the bottom 10 items off the agenda of most ministries in the Government of India and they would not be missed. It never happened then but it can happen now, if we are to ever hope for a 'new India'.

In the past week, Mr Modi has faced severe criticism for his most disruptive economic reform so far: demonetisation. Some commentators have gone to the extent of suggesting that it has been his biggest mistake to date. In my own ever humble opinion, his biggest mistake has been to not summon his chief ministers and high officials together for a serious discussion on how methods of governance can be modernised. One small tip might help: stop viewing humans as a 'resource'.

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INSIDE TRACK



COOMI KAPOOR

EVEN GODS FAILED

Last week, Rajiv Pratap Rudy met BJP president Amit Shah armed with a heavy portfolio detailing all the programmes undertaken by his Skill Development and Entrepreneurship Ministry. After the meeting, Rudy left for Patna and was in his native village, Amnour in Saran district, where he conducted a four-day *havan*. It appears this was not enough to save his job.

RESHUFFLE JITTERS

A Central minister, after a formal press conference, had an off-the-record interaction with journalists. Two rookies from business wire services, not aware that the minister's remarks were not attributable, passed her comments on to their offices, which put out a report. The news, which was critical of an East Asian country, was flashed by two TV channels. Within minutes, the minister's social media advisers came rushing to the press conference room to inform her. Visibly rattled, the minister charged that someone was deliberately sabotaging her ministerial prospects and warned that no one could leave the room until the guilty party confessed. The scribes explained sheepishly that they had not realised the implications of their action.

BREAKING CODE

Journalists fear that off-the-record briefings with BJP chief Amit Shah, which are in any case rare, might stop altogether because of a recent incident. Shah held a get-together for scribes on the BJP beat. But this time, the news leaked and many more journalists showed up, apart from the regulars. Asked repeatedly about the judgment on Dera Sacha Sauda's Baba Ram Rahim, Shah said he would not speak as the matter was sub-judice. However, a scribe, who was not even present, put out a report suggesting that Shah criticised the judge for keeping too many officials tied down in court. The Congress held a press conference, accusing Shah of contempt of court.

KEPT AT A DISTANCE

Prime Minister Narendra Modi is wary of journalists. The moment he took over as PM, he stopped the media, other than Doordarshan, from accompanying him on

OUT OF MY MIND



MEGHNAD DESAI

LAST MONTH, it was the Seventieth Anniversary. Prime Minister Narendra Modi was Master of the Red Fort. Amit Shah declared his target of 150 more seats, and good luck seemed to be in his bag. Now, with the mayhem in Haryana, third train derailment within 10 days, more children dying in Gorakhpur and the deluge in Mumbai, they may well think that while a week is a long time in politics, the

his aircraft within India and abroad. Now that BJP nominee Ram Nath Kovind is President of India, the same rules apply. The President recently visited Leh and Andhra Pradesh, but no journalist accompanied him. Unlike under Pranab Mukherjee, who kept an open house, journalists are no longer welcome at Rashtrapati Bhavan. Under the new rules, those who meet the President, such as Opposition leaders, must now brief the media at Vijay Chowk. This is what happened to a delegation of the Congress, DMK and Left which met the President last week to complain against Tamil Nadu Governor C Vidyasagar Rao.

TRIPPING OUT

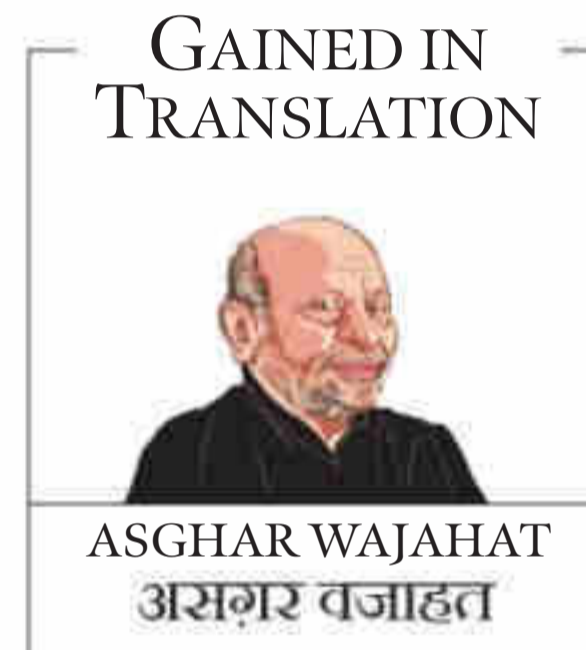
Rahul Gandhi upset many, particularly Lalu Prasad, by leaving for Norway instead of attending the RJD chief's recent Opposition unity rally. In September, Rahul is off to the US for a fortnight. The trip, organised by family friend Sam Pitroda, is an opportunity to interact with NRIs, perhaps partly for fund-raising. The itinerary includes a lecture at University of California, Berkeley. But the timing is hardly appropriate considering that Congress organisation elections are near. This will be Rahul's eighth visit abroad this year.

RESOLVING SWAMY

His political adversaries in the Congress and former finance minister Yashwant Sinha may disagree, but it was Subramanian Swamy, and not P V Narasimha Rao, who was responsible for persuading Manmohan Singh to return to India after working with an international forum, according to Swamy's wife Roxna. In her book *Evolving with Swamy*, which is to be released shortly, Roxna writes that when the Chandra Shekhar government was formed in December 1990, Swamy was asked by the PM to suggest someone who could oversee all bureaucrats working in the economic ministries. Swamy recommended his old friend from Delhi School of Economics, Manmohan Singh, who was then in Geneva. Singh agreed to become the PM's economic adviser on the assurance that Montek Singh would also be re-adjusted in the government. During the short spell Swamy was in office and Montek Singh his secretary, he worked out the bare bones of a new and radical economic dispensation for the country. The pragmatic Narasimha Rao, who took over, decided to adopt his blueprint.

Recounting some of her hilarious introductions to the political world, the author recalls her surprise when she called on Om Prakash Chautala. She found Chautala on the first floor of his government bungalow sitting with his favourite cow, amid stacks of fodder and cowpats. She is still puzzled as to how the cow climbed down the stairs.

Meeting people, not monuments



ASGHAR WAJAHAT

असगर वजाहत

IF TRAVEL has become easy these days, writing a travelogue has become difficult. Of the many reasons for this, the most prominent is that the Internet has opened up several thousands doors of information. What information can you share with anybody in this shrinking world? Many of us already know a lot about the world. When travel writers of another era gave even general information about other countries, readers found in it the glimpses of a new world. The new travel writer is required to write what is not available on the Internet, which implies that a writer must keep a close eye on those things that are extremely important but remain ignored. A writer is also required to grasp the undercurrents of the new society. A superficial eye cannot write travelogues.

I observed during the Iran trip that it is an Islamic and an anti-American country. However, the American lifestyle is extremely popular in Iran. What could be its reason? Religion dominates only the lower middle class in Iran, the upper and the middle class are not so influenced by religion as it is believed to be.

The famous Hindi writer and scholar Mahapandit Rahul Sankrityayan had a travel *shastra*. He believed that travel opens up the doors of wisdom. He made many difficult travels and wrote travelogues running into thousands of pages. No Hindi writer, I believe, has had a greater love for travel than he had. Ajneya and Nirmal Verma also wrote good travelogues.

If someone asks me why I like travelling, I would not have a direct answer. First, my eye is always in search of new scenes, which inspires me to reflect on something new... To write this scene and convey its meaning to others is a bigger challenge. Thus travel is not mere roaming around, it establishes a bond with the new society and its people. I consider my travel social tourism. To meet people is an extremely significant task for me.

Two things are particularly important if you are meeting people: You should have sufficient time, and you should know local



CR Sasikumar

people... It can be extremely interesting to visit places and countries not usually frequented by people. It is always my endeavour to view things others do not. They have more interest in buildings than people, but I have more interest in people, in comprehending societies. Sometimes, in the process, I view things that are even difficult to imagine.

Once, I visited Mizoram. Its capital, Aizawl, seemed to me like Shimla. I asked locals about any smaller town or place that could give me a sufficient opportunity to meet people. Someone suggested Champai, a small town on the Myanmar border. When I went there, I was told that there is an extremely beautiful lake across the border. I did not have a passport or visa. But if you have the will, there is a way. I crossed the international border without a passport and reached the lake.

Looking for smaller places in Mizoram, I reached Lunglei and then Chawngte village of Chakma tribals along the Mizoram and Bangladesh border. I was told that it was an autonomous region, as Chakma tribals run the local administration in a democratic manner. I also met the 'chief minister' of the autonomous region and

found that he was not as 'simple' as he was expected to be, compared to other chief ministers. I also gathered that perhaps the administration was not performing its duties towards the people. Many people had complaints. The area was infested with mosquitoes that caused fatal malaria.

This village of wood and bamboo did not have any hotel. I stayed in a room of the panchayat office. Its condition suggested no one had stayed here for years before me. This stay in a Chakma village, meeting people, observing their homes from inside, comprehending their lives and witnessing their "autonomy" was a new experience. I also saw a beautiful Buddha temple on a hillcock, a little distance away. Many priests live in this temple surrounded by mango and banana trees. I could not talk to the priests as they did not speak Hindi, but conversed a little through the local guide.

I was attracted not by the glittering countries of Europe but the Maramures region on Romania-Ukraine border. I travelled through the area intensively. I visited Merry Cemetery in Sapanta village, which is perhaps without any parallel in the world.

Social tourists have rare experiences that eclipse those whose eye is confined to cities and buildings. In Port Blair, for instance, I saw a Rs 10 note that was issued by the Japanese government and a photograph in which Japanese officers had clean-shaven all the residents of Port Blair who had moustaches and beards.

Social tourism also has some dangers. In Tehran, for instance, I was arrested by the police because I had taken photographs of the US Embassy... I was taken to the police station, and interrogated for three hours... With great difficulty, I managed to save myself. Also, a thug had looted me in Tabriz.

Non-fiction literature is being widely spoken about in Hindi literature these days. Sahitya Akademi has published a compilation, *Kathetar*, this year, which has 20 writers who bring forth facets of Hindi non-fiction. Pankaj Bisht's *Kharama Kharama* and Anil Yadav's *Wah Bhi Koi Des Hai Maharaj* are among recent travelogues that have made a mark.

I have written three books on travel in Hindi. One on Iran, second about my Pakistan visit and the third on the Northeast. I am surprised these have been published in other Indian languages and have a readership. People now want to read travelogue or non-fiction, more than poetry, short story or novel. Many young Hindi writers are writing travelogues and it seems that it would become an important form of literature in future.

Wajahat is a Delhi-based Hindi writer best known for his play *Jis Lahore Nai Dekhya*, O Jamiyai Nai

Translated by Ashutosh Bhardwaj

Beware the Electorate

21 months to the general election is a very short time.

The Dera Sacha Sauda is a bigger problem for the BJP than it would be for other parties. Opposition parties may have taken Baba Ram Rahim's blessings but can turn secular when they smell trouble. 'Godmen' are a BJP speciality. They are popular with BJP voters and their cadre. BJP legislators (apart from the ones who are 'god-persons' themselves) love to rush to them for blessings and take selfies. The ethos of 'godmen' is one with that of the BJP. The Prime Minister needs to tackle this problem urgently.

These 'godmen' are not just holy. They are big business. They receive millions in donations; no doubt, free of tax. Were

they Christian missionaries, they would have to register, be subject to audit and FCRA (Foreign Contribution Regulation Act) rules. But who would bell the cat if the cat can hand you a vote bank? They think they are above the law, and so do their followers.

Hence the deaths and destruction following the rape conviction of the Baba. The chickens have come home to roost. It is obvious that the Haryana government abdicated and instructed the Army and police to go soft on August 25. This was very much like Kalyan Singh and Babri Masjid 25 years ago. Then, Narasimha Rao sat passive. The Congress paid the price.

Chief Minister Manohar Lal Khattar is protected by the RSS. Modi could not

sack Khattar. The blame will not attach to Khattar. In India today, all blame falls on Modi. He may want his 'sankalp' but his party wants to flaunt power. The grass-roots don't care about *sabka saath*. They want to harass Muslims on one pretext or another. Or to show their devotion to guilty 'godmen' and go on a rampage. It is their government. What can police do?

You never know when a sparrow will become a sparrowhawk. A third railway accident looks bad for minister Suresh Prabhu, who has tried his best to change the Railways, which has been neglected for the last 50 years. A tragedy like Gorakhpur will not be easily forgotten. It is another story of 50 years of neglect. But

Modi will get the blame, as the Yogi (CM Adityanath) continues to care more about *Vande Mataram* for madrasas than dying babies. People will take note. Mumbai is run by the Shiv Sena, an NDA partner, but Maharashtra by the BJP. The Sena's neglect will hurt the BJP.

Modi will have to crack the whip. Elections will be won on *sabka vikas*. Growth will have to be faster than the latest estimate of GDP growth of 5.7 per cent. How are jobs to be created if the economy is faltering? How long before the GST beds down? When are farmers' incomes going to rise? Modi needs to reassure voters.

Elections are hard to win but easy to lose. Beware the Electorate. It can surprise anyone.