

National Interest: Crony, crawly capitalism

Shekhar Gupta Posted online: Sat Apr 13 2013, 02:08 hrs

The corporate circuit is abuzz with a story that is as delightful as it is chastening. It seems that when our business leaders attended Narendra Modi's Vibrant Gujarat Summit in January and sang his praises, besides promising to invest big bucks in his state, an activist Central minister sent several of them an identical, sarcastic text message. It was one thing to promise to invest in Gujarat, but did you have to prostrate yourselves in front of Modi, he asked. Or something to that effect, maybe in more colourful prose. Earlier this month, some of these corporates thought they had turned the tables when some texted the same minister asking if he was so outraged at the way they behaved in front of Modi, what did he now think of their performance when Rahul Gandhi came to CII. The minister simply replied that he found it equally despicable. The minister surely had the last word on this. And quite honestly, on this point, you'd have to agree with him.

For three years now, corporate India has been complaining of the UPA messing up the economy. They have had genuine and serious grievances: high fiscal and current account deficits, rising inflation and interest rates, declining rupee, denial of project clearances, vindictive and retrospective tax action and so on. All this has forced them to move their investments overseas. They have also been complaining that the PM, Sonia and Rahul avoid even communicating with them formally. Then, when Rahul Gandhi finally comes by, what do they do? Do they raise any of their grievances, or tell him whatever they think has ruined the India story? The two questions that actually get asked are about how to improve Centre-state relations, and contamination in one state's water with uranium and another's with arsenic. Ok, Rahul is not the finance minister of India, so why drag him into deficits, interest rates and taxation. But nobody asked him the simplest, the most obvious question that would have followed from the very preamble of his own speech. Something like: "Rahulji, thanks for paying us such high compliments and calling us the cutting edge of the India story. But do you know how low our morale is, and do you know why? And how will you address that? Thank you."

Nothing of the sort happened. All that the leaders of our business and industry had on the top of their minds on a day of such rare opportunity were platitudes and inanities like Centre-state relations and contamination of water. What else would you expect from a crowd that was so flattered, and equally, so desperate to flatter? Go back and read the fawning reactions: brilliant, thought-provoking, forward-looking, visionary, youthful and inspirational, I have hope, and finally, now I have hope.

In fact, you may have found a familiar ring to the superlatives used to describe Rahul's speech. So play with Google a bit and you'd know why: similar or even more breathless descriptions were used to describe Modi, his policies, approach and business-friendliness, by the same businessmen at Vibrant Gujarat. And more of the same was in evidence again this week as Modi came to speak at the Bengal Chamber of Commerce and Industry in Kolkata. There was generous, sycophantic laughter even before Modi had finished his by now familiar and oft-repeated one-liners and jokes. It reminded you of how people begin to laugh or applaud halfway through a funny or smart piece of dialogue when they go to watch a favourite movie for the fourth time. And the questions afterwards? They were a mirror image in seriousness and relevance to what Rahul had been asked at CII. Just as he had been spared any relevant or even remotely challenging questions, so was Modi. Nobody asked him, for

example, if there wasn't a hint of cronyism in the way his government relates to industrialists in Gujarat (so many businessmen would whisper to you all the time about the special status of a certain conglomerate with the name beginning with "A"). And nobody asked him what his vision of a fair and inclusive India will be, and how he will put the apprehensions of its vast and diverse minorities to rest and thereby provide a harmonious and peaceful environment for business, now that he was bidding for the prime ministership.

To be fair to Modi and Rahul, they probably had answers to the questions that nobody dared to ask them. When political leaders come calling, corporate India only asks for favours and concessions, in return for some form of sashtaang pranam. They do not ask questions or seek answers.

Businessmen will have their reasons: we have to deal with the sarkar all the time, you have no idea how vindictive they could become. Or, if I open my mouth too wide, they set the taxman upon me. You know what happened to so and so! But the larger question they need to answer is, where do they see their own place in Indian society?

If Indians with such power and financial strength will have no courage to speak their minds and, on the other hand, will simply play sycophants and court jesters, who do they expect to do the complaining, ask the hard questions? The media, which they are now so indulgently buying up, or the Anna-Kejriwal types, whose praises they sang when they seemed to be winning initially — at least in the TV studios — only to dump them later as such bad news?

This paper strongly agrees with one thing both Rahul and Modi say, even though their idiom is different: that India's future lies in its economic growth, and the cutting edge, in that quest, will come from the private sector. But has Indian capitalism risen to deserve such respect, to justify such high expectations? For now, the answer will have to be a regretful no. Two decades of reform, 10 years of 8 per cent growth, have not yet built an Indian capitalism that has the confidence, poise, and frankly, even the conscience, to stand on its own feet, to look the political or bureaucratic bosses in the eye, and to ask the questions most relevant, even if not to all citizens, but at least to their respective shareholders. We had seen some evidence of that in the recent past, particularly with some business leaders (including Azim Premji, Ashok Ganguly, Deepak Parekh and Keshub Mahindra) writing open letters to the prime minister, raising such necessary questions. And they deserve high praise and gratitude, because it was their activism that jerked the government back on to the rails. Surely, nobody has dared to set any taxman upon them. But look at the full picture now, and that was a rare exception.

Here is a story, and something to think about. The prime minister's last speech to CII (before April 3) was on May 24, 2007. He then chided corporate India for its lavish lifestyle, euphoric excess and high salaries. Sunil Mittal was the president of CII that year. He responded by saying that the PM's views were not misplaced, and donated Rs 4 crore, or a large percentage of his salary, towards the education of underprivileged children.

At a dinner at then Chief Election Commissioner Navin Chawla's home a day or so later, I joined an editor of genuine eminence and enormously greater experience, in remonstrating with Mittal. Our point was simple: as the head of CII, and thereby the captain of entrepreneurial India, he should have responded by telling the prime minister that while his concern was arguable, it was none of the government's business. Businessmen's job was to create wealth, ethically, and distribute it fairly to their shareholders and pay their taxes honestly. It was for the government then to use that money judiciously and answer our very real, common concerns on socio-economic equity. By offering, instead, to give away his salary, he had been unnecessarily defensive and nobody was going to send him a thank-you card for it anyway.

You want to know what the government has sent him, instead? They have now hit him and his globally admired company with the most ridiculously vindictive criminal litigation for something that is alleged to have happened 15

years ago. And nobody among his corporate peers is willing to speak up for him in public. Now you know what we mean when we say Indian capitalism has not yet come of age. This is what you expect in a world of the super-rich, where the only ideology is every-man-for-himself, and the sarkar is still the eternal mai-baap.

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